KENYA NATIONAL BUREAU OF STATISTICS

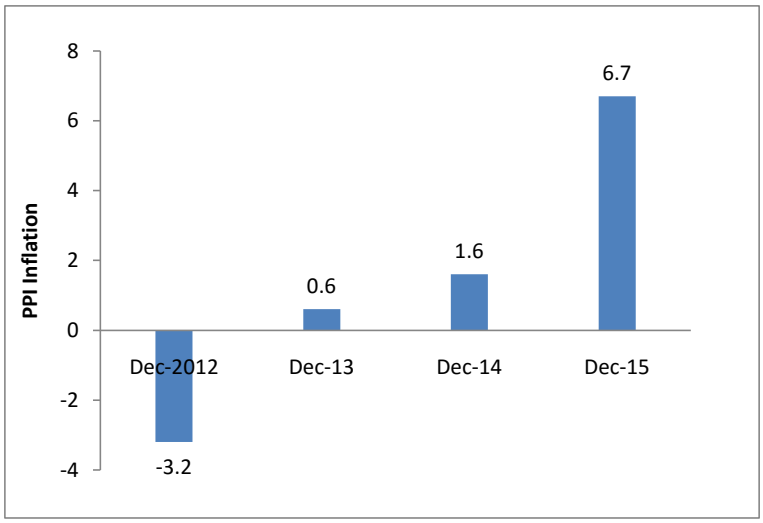
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PRODUCER PRICE INDEX FOURTH QUARTER 2015

Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the fourth quarter of 2015. Producer Price Index measures the gross changes in the trading price of products on the domestic and non-domestic markets, at all stages of processing. The price changes are measured from the perspective of the producer. The producer prices are collected as at 15th February, 15th May, 15th August and 15th November of the year. These dates correspond to the first, second, third and fourth quarters of the year, respectively.

The Producer Price Indices are grouped according to the International Standards of Industrial Classifications of All Economic Activities (ISIC) Rev 4. As shown in Table 1, the overall producer prices went down marginally by 0.57 per cent in the fourth quarter of 2015 compared to an increase of 4.70 per cent recorded in the third quarter of 2015. The 'year on year' PPI inflation rose from 1.6 per cent in December 2014 to December 2015 was 6.74 per cent.

PPI Inflation



The main contributors for the fourth quarter drop from third quarter 2015 PPI is attributable to a decline in Electricity and Manufacture of food products. In the manufacture of food products the producer prices of maize flour, wheat flour and tea recorded high declines. Even with the overall producer price decline in the manufacture of food products, the prices of the manufacture of sugar and soft drinks increased during the period under review.

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

2-Digit ISIC	Descriptions	Weights-**	% Change over three months ago (Dec 2015/Sept 2015)	% Change over a year ago (Dec 2015/Dec 2014)
10	Manufacture of food products	**34.24**	-1.49	12.08
11	Manufacture of beverages	**6.54**	2.12	8.45
12	Manufacture of tobacco products	**1.38**	0.20	4.10
13	Manufacture of textiles	**2.29**	1.04	16.11
14	Manufacture of wearing apparel	**2.91**	0.00	1.63
15	Manufacture of leather and related products	**0.90**	0.37	1.86
16	Manufacture of wood and of products of wood and cork except furniture	**2.19**	-0.12	2.21
17	Manufacture of paper and paper products	**3.15**	0.77	4.35
18	Printing and reproduction of recorded media	**5.66**	0.00	0.00
19	Manufacture of lubricating petroleum oils	**0.01**	0.00	-13.60
20	Manufacture of chemicals and chemical products	**5.97**	0.73	7.27
22	Manufacture of rubber and plastics products	**5.47**	0.08	4.37
23	Manufacture of other non-metallic mineral products	**4.32**	-0.54	2.58
24	Manufacture of basic metals	**6.51**	0.00	-5.78
25	Manufacture of fabricated metal products except machinery and equipment	**3.31**	-0.67	-2.80
29	Manufacture of motor vehicles	**1.20**	1.39	5.35
35	Electricity	**8.63**	-3.16	1.59
36	Water	**0.46**	0.00	0.89
08	Mining and Quarrying	**1.60**	0.37	10.66
31	Manufacture of Furniture	**1.83**	0.00	32.97
33	Repair and installation of machinery and equipment	**1.42**	0.00	3.28
	Total	**100.00**	**-0.57**	**6.74**

*** Weights re-adjusted after closure of Kenya Petroleum Refineries Limited (KPRL)*

As shown in Table 2, the overall PPI declined from 116.55 in the third quarter 2015 to 115.88 in the fourth quarter 2015. The 'year on year' inflation was 6.74 per cent mainly as result of in increases in indices of manufacture, textiles and furniture. The depreciation of the Kenya shilling against major foreign currencies also led to the increase in 'year on year' producer prices.

Table 2: Producer Price Indices at Division Level

Base June 2011=100

2-Digit ISIC	Descriptions	Weights-**	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
10	Manufacture of food products	**34.24**	105.86	107.75	109.84	120.44	118.65
11	Manufacture of beverages	**6.54**	125.05	128.20	132.80	132.81	135.63
12	Manufacture of tobacco products	**1.38**	118.50	118.93	121.59	123.10	123.35
13	Manufacture of textiles	**2.29**	111.07	112.72	121.56	127.63	128.96
14	Manufacture of wearing apparel	**2.91**	100.56	100.79	101.40	102.19	102.19
15	Manufacture of leather and related products	**0.90**	102.17	103.51	103.82	103.69	104.07
16	Manufacture of wood and of products of wood and cork except furniture	**2.19**	105.45	105.30	106.68	107.91	107.78
17	Manufacture of paper and paper products	**3.15**	107.32	106.87	108.56	111.13	111.99
18	Printing and reproduction of recorded media	**5.66**	104.66	104.66	104.66	104.66	104.66
19	Manufacture of lubricating petroleum oils	**0.01**	132.83	114.76	114.76	114.76	114.76
20	Manufacture of chemicals and chemical products	**5.97**	114.07	116.18	118.67	121.48	122.13
22	Manufacture of rubber and plastics products	**5.47**	105.79	108.81	110.48	110.33	110.42
23	Manufacture of other non-metallic mineral products	**4.32**	115.84	114.48	116.66	119.47	118.83
24	Manufacture of basic metals	**6.51**	98.82	96.68	91.83	93.10	93.11
25	Manufacture of fabricated metal products except machinery and equipment	**3.31**	96.56	96.05	93.00	94.49	93.86
29	Manufacture of motor vehicles	**1.20**	117.55	119.11	119.60	122.14	123.84
35	Electricity	**8.63**	115.65	113.24	114.04	121.33	117.49
36	Water	**0.46**	128.78	129.93	129.93	129.93	129.93
08	Mining and Quarrying	**1.60**	125.10	126.02	124.31	137.93	138.44
31	Manufacture of Furniture	**1.83**	99.93	132.88	132.88	132.88	132.88
33	Repair and installation of machinery and equipment	**1.42**	100.73	101.19	102.44	104.03	104.04
	Total	**100.00**	**108.56**	**109.98**	**111.32**	**116.55**	**115.88**

*** Weights re-adjusted after closure of Kenya Petroleum Refineries Limited (KPRL)*