



Kenya National Bureau of Statistics

PRODUCER PRICE INDEX

FOURTH QUARTER 2022 RELEASE

DECEMBER 2022

PRODUCER PRICE INDEX FOR FOURTH QUARTER 2022

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the fourth quarter 2022. 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 15.84 per cent in December 2022 compared to 10.59 per cent in December 2021. The index rose from 113.60 in December 2021 to 131.60 in December 2022. Trends in the year on year Producer Price Index (PPI) and producer inflation from March 2020 to December 2022 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

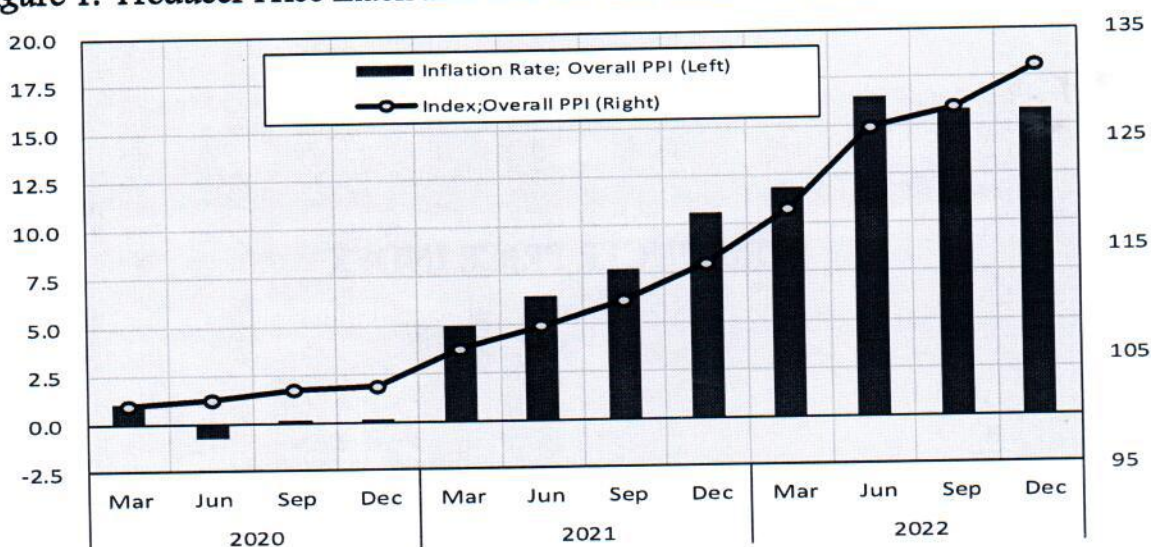


Table 1: Overall PPI and Inflation Rates, March 2020 – December 2022

March 2019 = 100

Year	Quarter ¹ Ending	Producer Price Indices	PPI-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	131.60	15.84

¹ Prices are collected as at the mid of the quarter

The year on year industrial producer inflations from December 2021 to December 2022 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 Mining and Quarrying sector recorded the highest price increase at 22.7 per cent in December 2022 followed by Manufacturing at 16.9 per cent. Electricity, which had been recording year on year producer price decreases in the first three quarters of 2022, rose by 6.2 per cent in December 2022. The price for water supply remained unchanged during the same period.

Table 2: Year on Year Industrial Producer Inflation by Sector

Sector	Dec 2021 / Dec 2020	Mar 2022 / Mar 2021	June 2022 / June 2021	Sept 2022 / Sept 2021	Dec 2022 / Dec 2021
Mining and quarrying	14.6	26.3	32.6	40.0	22.7
Manufacturing	10.9	13.0	18.4	17.7	16.9
Electricity, gas, steam and air conditioning supply	7.5	-2.5	-3.7	-6.9	6.2
Water supply, sewerage, waste management and remediation activities	3.2	3.2	2.1	2.1	0.0

Table 3 shows the quarter to quarter rate of change in producer price indices for the four industrial sectors. Over the fourth quarter ending December 2022, electricity supply reported the highest price increase of 16.1 per cent followed by Manufacturing which rose by 2.2 per cent. Producer prices for mining and quarrying declined by 3.0 per cent while water Supply remained unchanged during the same quarter.

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

Sector	Dec 2021/ Sept 2021	Mar 2022/ Dec 2021	June 2022/ March 2022	Sept 2022/ June 2022	Dec 2022/ Sept 2022
Mining and quarrying	10.8	6.4	7.9	10.1	-3.0
Manufacturing	2.9	5.7	6.9	1.3	2.2
Electricity, gas, steam and air conditioning supply	1.8	-8.5	0.0	0.0	16.1
Water supply, sewerage, waste management and remediation activities	2.1	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 2022 increased by 2.98 per cent relative to September 2022 prices. Over the same period, electricity supply recorded the

highest price rise of 16.12 per cent while mining of metal ores had the highest price decline of 8.71 per cent. Over the last one year, the highest price increase was in the mining and quarrying at 44.81 per cent while the highest price decrease was in metal fabrication at 1.8 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 2022/ Sept 2022)	% Change over a year ago (Dec 2022/Dec 2021)
	Mining and Quarrying			
07	Mining of metal ores	1.52	-8.71	11.89
08	Mining and Quarrying	0.81	7.85	44.81
	Manufacturing			
10	Manufacture of food products	37.30	3.30	22.82
11	Manufacture of beverages	5.61	2.30	9.39
12	Manufacture of tobacco products	1.01	2.13	17.79
13	Manufacture of textiles	1.34	3.25	15.03
14	Manufacture of wearing apparel	2.47	8.41	22.22
15	Manufacture of leather and related products	1.10	0.51	3.34
16	Manufacture of wood and of products of wood and cork except furniture	1.02	1.66	1.17
17	Manufacture of paper and paper products	3.74	-2.10	24.35
18	Printing and reproduction of recorded media	2.64	2.14	16.86
20	Manufacture of chemicals and chemical products	6.41	10.40	33.01
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	0.72	21.74
22	Manufacture of rubber and plastics products	4.41	1.47	7.51
23	Manufacture of other non-metallic mineral products	5.91	-0.45	0.99
24	Manufacture of basic metals	6.99	-8.68	1.39
25	Manufacture of fabricated metal products except machinery and equipment	2.02	3.38	-1.80
27	Manufacture of electrical equipment	1.30	-4.81	3.53
29	Manufacture of motor vehicles	1.92	0.29	9.91
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	9.23	16.12	6.24
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	1.72	0.00	0.00
	Total	100.00	2.98	15.84

Table 5 presents the quarterly Producer Price Indices from December 2021 to December 2022. The overall producer index increased from 113.60 in December 2021 to 131.60 in December 2022.

Table 5: Quarterly Producer Price Indices, December 2021 – December 2022

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
07	Mining of metal ores	1.519	129.22	133.39	142.50	158.39	144.59
08	Mining and Quarrying	0.809	117.92	133.14	146.40	158.33	174.40
10	Manufacture of food products	37.298	115.25	122.04	134.06	137.03	141.55
11	Manufacture of beverages	5.615	107.50	107.50	107.50	114.96	117.60
12	Manufacture of tobacco products	1.013	116.40	123.03	132.82	134.26	137.12
13	Manufacture of textiles	1.344	116.25	121.01	129.63	129.51	133.72
14	Manufacture of wearing apparel	2.469	105.94	107.27	118.40	119.44	129.48
15	Manufacture of leather and related products	1.102	120.76	119.21	121.26	124.15	124.79
16	Manufacture of wood and of products of wood and cork except furniture	1.021	99.09	98.03	98.34	98.60	100.24
17	Manufacture of paper and paper products	3.738	103.33	116.40	114.21	131.26	128.50
18	Printing and reproduction of recorded media	2.638	109.54	115.77	123.69	125.32	128.00
20	Manufacture of chemicals and chemical products	6.411	126.71	142.18	149.53	152.66	168.53
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.524	129.88	144.65	159.30	156.98	158.11
22	Manufacture of rubber and plastics products	4.407	104.67	107.43	112.34	110.90	112.53
23	Manufacture of other non-metallic mineral products	5.907	114.63	108.70	114.49	116.29	115.76
24	Manufacture of basic metals	6.992	119.05	136.58	145.44	132.18	120.70
25	Manufacture of fabricated metal products except machinery and equipment	2.016	117.49	115.55	118.84	111.60	115.37
27	Manufacture of electrical equipment	1.304	112.68	117.18	120.42	122.55	116.66
29	Manufacture of motor vehicles	1.922	89.52	93.14	96.58	98.10	98.39
35	Electricity	9.229	108.98	99.70	99.70	99.70	115.78
36	Water	1.724	103.67	103.67	103.67	103.67	103.67
	Total	100.00	113.60	118.56	125.98	127.78	131.60



Macdonald G. Obudho, MBS
DIRECTOR GENERAL