PRODUCER PRICE INDEX FIRST QUARTER 2019

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the first quarter of 2019. Producer Price Index measures the average changes in the prices of products 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 Figure 1, the first quarter year on year overall producer inflation was negative 0.36 per cent in March 2019 compared to 1.53 per cent recorded in March 2018.

Figure 1: Year on Year Percentage Changes on Producer Prices

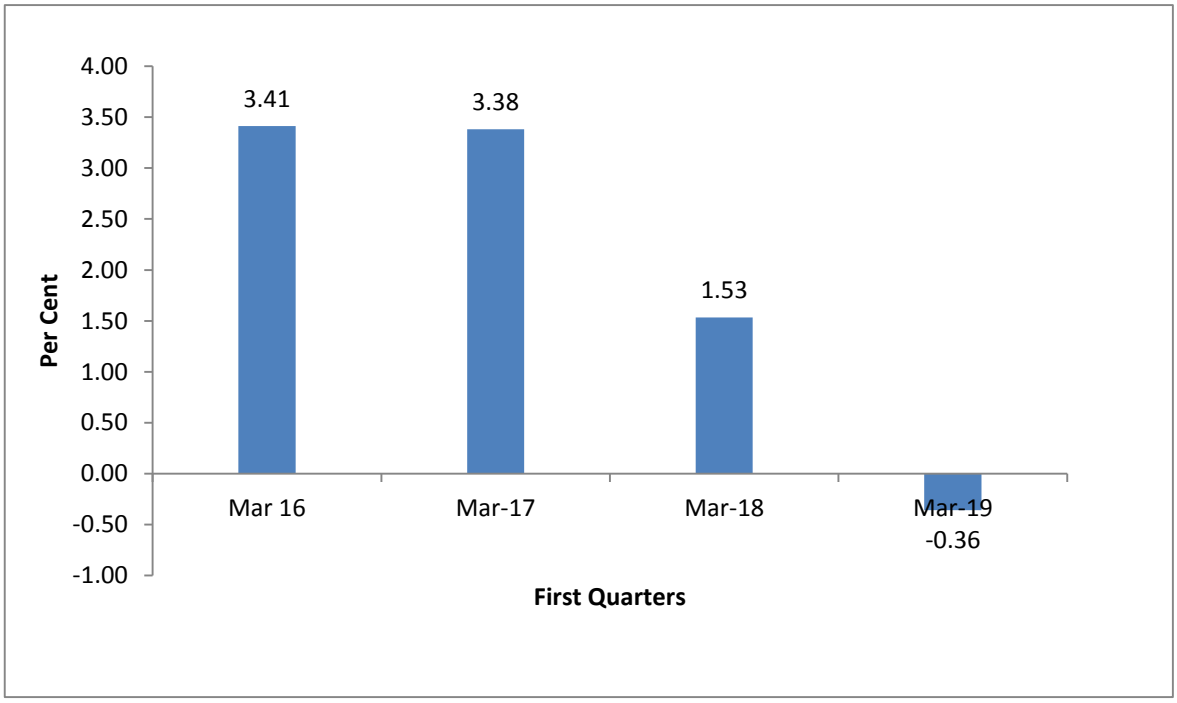


Table 1 presents percentage changes of producer prices over the previous quarter and the same quarter a year ago. The overall producer prices declined by 1.38 per cent from December 2018 to March 2019 while the 'year on year' inflation was negative 0.36 per cent. Over the last one year, the highest increase was on manufacture of wood and of products of wood which rose by 21.25 per cent followed by manufacture of rubber and plastic products which

rose by 9.66 per cent. However, manufacture of food products and electricity declined by 5.02 per cent and 2.78 per cent during the same period.

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

2-Digit ISIC	Descriptions	Weight	% Change over three months ago (Mar 2019/Dec 2018)	% Change over a year ago (Mar 2019/Mar 2018)
10	Manufacture of food products	**34.24**	-3.72	-5.02
11	Manufacture of beverages	**6.54**	-0.81	2.08
12	Manufacture of tobacco products	**1.38**	-0.10	-0.19
13	Manufacture of textiles	**2.29**	-1.92	1.14
14	Manufacture of wearing apparel	**2.91**	-0.33	-0.12
15	Manufacture of leather and related products	**0.90**	-0.03	0.09
16	Manufacture of wood and of products of wood and cork except furniture	**2.19**	-3.88	21.25
17	Manufacture of paper and paper products	**3.15**	-0.86	4.92
18	Printing and reproduction of recorded media	**5.66**	0.00	0.00
19	Manufacture of lubricating petroleum oils	**0.01**	0.00	0.00
20	Manufacture of chemicals and chemical products	**5.97**	-3.81	-0.47
22	Manufacture of rubber and plastics products	**5.47**	3.47	9.66
23	Manufacture of other non-metallic mineral products	**4.32**	1.59	-1.26
24	Manufacture of basic metals	**6.51**	1.82	3.85
25	Manufacture of fabricated metal products except machinery and equipment	**3.31**	0.14	0.41
29	Manufacture of motor vehicles	**1.20**	1.96	3.13
35	Electricity	**8.63**	1.04	-2.78
36	Water	**0.46**	0.00	1.86
08	Mining and Quarrying	**1.60**	-1.77	3.09
31	Manufacture of Furniture	**1.83**	0.00	4.15
33	Repair and installation of machinery and equipment	**1.42**	-0.65	-0.24
	Overall	**100.00**	**-1.38**	**-0.36**

Table 2 shows the Producer Price Indices from September 2016 to March 2019. The producer index declined by 0.36 per cent from 120.78 in December 2018 to 118.95 in March 2019. The decrease in the index was mainly due to lower prices of vegetable and animal oils and fats, sugar, tea, grain mill products and electricity.

Table 2: Overall PPI and Inflation Rates

Base Period June 2011=100

Year	Quarter	Indices	PPI-Inflation Rate (%)
2016	September	113.33	-2.76
	December	115.36	-0.47
2017	March	117.58	3.38
	June	119.42	6.39
	September	119.52	5.46
	December	119.03	3.18
2018	March	119.38	1.53
	June	119.37	-0.04
	September	120.17	0.54
	December	120.78	1.47
2019	March	118.95	-0.36

Producer Prices of Selected Products

Table 3 shows producer prices of selected products in March 2018, December 2018 and March 2019. The price of 20 litres of refined oil declined by 2.9 per cent from KSh 4,596 in December 2018 to KSh 4,461 in March 2019. During the same period, the price of a tonne of sugar declined by 12.4 per cent from KSh 95,041 to KSh 83,284.

Product	Unit of Measure	Price March 2018	Price December 2018	Price March 2019	% Change over last three months	% Change over 12 months
Refined Oil	20 Litres	4,620	4,596	4,461	-2.9	-3.4
Milk	Fresh milk 18 crates each 500 Ml	777	779	779	0.0	0.2
Cement	One Tonne	12,814	13,269	13,480	1.6	5.2
Maize Flour	Bale (12 packets each 2 Kg)	1,278	978	978	0.0	-23.5
Wheat Flour	Bale (12 packets each 2 Kg)	1,200	1,350	1,421	5.2	18.4
Sugar	One Tonne	81,658	95,041	83,284	-12.4	2.0

Table 4 presents quarterly producer indices from March 2018 to March 2019. The overall producer index decreased from 120.61 points in December 2018 to 118.95 points in March 2019.

Table 4: Producer Indices

June 2011=100

Division	Descriptions	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
10	Manufacture of food products	122.68	122.56	121.38	121.02	116.53
11	Manufacture of beverages	143.78	143.37	143.78	147.98	146.78
12	Manufacture of tobacco products	125.05	124.82	124.93	124.93	124.81
13	Manufacture of textiles	124.48	123.81	127.39	128.37	125.91
14	Manufacture of wearing apparel	102.06	101.94	102.00	102.27	101.93
15	Manufacture of leather and related products	105.95	105.85	105.98	106.07	106.04
16	Manufacture of wood and of products of wood and cork except furniture	126.67	126.67	157.63	159.79	153.59
17	Manufacture of paper and paper products	119.97	119.76	123.91	126.95	125.87
18	Printing and reproduction of recorded media	104.66	104.66	104.66	104.66	104.66
19	Manufacture of lubricating petroleum oils	114.76	114.76	117.30	114.76	114.76
20	Manufacture of chemicals and chemical products	128.19	128.09	132.36	132.64	127.59
22	Manufacture of rubber and plastics products	107.60	107.60	114.04	114.04	117.99
23	Manufacture of other non-metallic mineral products	110.50	110.10	110.29	107.39	109.10
24	Manufacture of basic metals	100.34	100.14	100.39	102.34	104.20
25	Manufacture of fabricated metal products except machinery and equipment	100.35	100.35	101.25	100.63	100.76
29	Manufacture of motor vehicles	122.95	122.72	123.83	124.36	126.80
35	Electricity	120.42	121.89	115.33	115.87	117.07
36	Water	145.88	145.88	147.60	148.60	148.60
08	Mining and Quarrying	136.83	136.83	141.34	143.60	141.06
31	Manufacture of Furniture	142.27	142.27	147.19	148.18	148.18
33	Repair and installation of machinery and equipment	103.76	103.52	103.63	104.19	103.51
	Total	119.38	119.37	120.17	120.61	118.95