PRODUCER PRICE INDEX DECEMBER QUARTER 2013

Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the December quarter of 2013. Producer Price Index measures the gross changes in the trading price of products on the domestic and the non-domestic markets, at all stages of processing. The price changes are measured from the perspective of the seller. The producer prices are collected as at 15th February, 15th May, 15th August and 15th November of the year. These dates corresponds to the first, second, third and fourth quarters respectively.

As shown in Table 1, the Producer Price Indices are grouped according to the International Standards of Industrial Classifications of All Economic Activities (ISIC). In the fourth quarter of 2013 that is from September quarter 2013 to December quarter 2013, the overall producer prices increased by 0.37 per cent. The 'year on year' PPI inflation, from December 2012 to December 2013 was 0.15 per cent. The main contributors for the fourth quarter increases were manufacture of refined petroleum products, manufacture of fabricated metal products and manufacture of motor vehicles. The producer prices for coke and refined petroleum products increased by 5.8 per cent in the fourth quarter.

Table 1: Percentage changes over a year and a Quarter ago

2-Digit ISIC	Descriptions	Weights	(Year on Year - Percentage change (Dec.2013/Dec. 2012)	(Quarter 4 Percentage change (Dec. 2013/Sep. 2013)
10	Manufacture of food products	31.53	-2.67	0.06
11	Manufacture of beverages	6.02	6.78	-0.54
12	Manufacture of tobacco products	1.27	0.86	-0.30
13	Manufacture of textiles	2.09	1.97	-0.75
14	Manufacture of wearing apparel	2.69	0.34	-0.19
15	Manufacture of leather and related products	0.81	0.48	0.14
16	Manufacture of wood and of products of wood and cork except furniture	2.02	0.80	0.25
17	Manufacture of paper and paper products	2.85	0.32	1.33
18	Printing and reproduction of recorded media	5.23	0.00	0.00
19	Manufacture of coke and refined petroleum products	8.03	1.25	5.77
20	Manufacture of chemicals and chemical products	5.46	-1.75	-0.32
22	Manufacture of rubber and plastics products	5.04	5.73	0.11
23	Manufacture of other non-metallic mineral products	4.00	2.31	-0.50
24	Manufacture of basic metals	6.01	-0.70	-1.22
25	Manufacture of fabricated metal products except machinery and equipment	3.04	-4.39	3.40
29	Manufacture of motor vehicles	1.07	2.17	2.55
35	Electricity	7.95	0.77	-1.49
36	Water	0.42	14.67	0.00
08	Mining and Quarrying	1.48	11.78	1.17
31	Manufacture of Furniture	1.69	0.00	0.00
33	Repair and installation of machinery and equipment	1.31	0.08	0.00
	Total	**100.00**	**0.15**	**0.37**

As shown in Table 2, the overall fourth quarter PPI increased from 105.78 points in the third quarter 2013 to 106.17 points in the fourth quarter 2013 while the year on year index rose by 0.15 per cent. Although Food products increased by 0.06 per cent in the fourth quarter, the producer prices of dairy products and sugar declined. Producer prices of some chemicals declined and this caused prices of filler paste to fall. The prices of Food products which increased were grain mill products, bakery products, cocoa, chocolate and sugar confectionery and prepared animal feeds.

Table 2: Producer Price Indices at Division level, Base period June 2011=100

2-Digit ISIC	Descriptions	Weights	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
10	Manufacture of food products	31.53	114.38	108.41	109.84	109.58	111.32	112.37	110.56	108.28	108.35
11	Manufacture of beverages	6.02	110.56	107.62	108.33	106.52	107.16	107.78	107.04	115.05	114.42
12	Manufacture of tobacco products	1.27	115.35	113.52	113.80	116.06	116.53	116.98	116.84	117.88	117.53
13	Manufacture of textiles	2.09	105.93	104.37	107.16	107.48	106.70	107.66	106.70	109.62	108.80
14	Manufacture of wearing apparel	2.69	101.12	99.56	99.71	99.71	99.71	99.56	99.68	100.23	100.04
15	Manufacture of leather and related products	0.81	102.52	101.18	101.35	101.34	101.46	101.57	101.45	101.81	101.94
16	Manufacture of wood and of products of wood and cork except furniture	2.02	101.52	102.09	102.66	102.66	104.20	104.20	104.77	104.77	105.03
17	Manufacture of paper and paper products	2.85	108.90	107.46	104.62	103.44	103.27	101.79	101.41	102.23	103.60
18	Printing and reproduction of recorded media	5.23	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
19	Manufacture of coke and refined petroleum products	8.03	103.30	97.02	102.85	102.85	105.74	103.41	100.12	101.22	107.06
20	Manufacture of chemicals and chemical products	5.46	106.51	107.73	105.79	106.70	107.71	107.50	106.08	106.16	105.82
22	Manufacture of rubber and plastics products	5.04	107.11	103.33	106.73	104.40	100.75	102.52	104.80	106.41	106.53
23	Manufacture of other non-metallic mineral products	4.00	113.16	109.47	111.76	111.76	112.49	113.34	110.27	115.66	115.08
24	Manufacture of basic metals	6.01	104.41	104.41	104.41	100.71	98.50	98.91	99.02	99.02	97.82
25	Manufacture of fabricated metal products except machinery and equipment	3.04	108.62	103.46	103.15	99.52	98.30	98.46	92.86	90.89	93.99
29	Manufacture of motor vehicles	1.07	105.68	110.69	103.38	104.90	112.24	113.01	111.09	111.82	114.67
35	Electricity	7.95	108.86	96.32	97.51	97.49	99.46	101.43	97.34	101.74	100.22
36	Water	0.42	100.00	100.00	102.51	104.90	104.90	108.59	108.59	120.30	120.30
08	Mining and Quarrying	1.48	110.42	106.85	112.24	107.51	103.93	108.08	106.89	114.83	116.17
31	Manufacture of Furniture	1.69	102.45	102.45	102.45	102.45	102.45	102.45	102.45	102.45	102.45
33	Repair and installation of machinery and equipment	1.31	100.00	100.00	100.00	100.00	100.00	100.00	98.98	100.08	100.08
	Total	**100.00**	**108.81**	**104.69**	**105.90**	**105.27**	**106.02**	**106.56**	**105.04**	**105.78**	**106.17**