Kenya National Bureau of Statistics

PRODUCER PRICE INDEX

THIRD QUARTER 2021 RELEASE

SEPTEMBER 2021

PRODUCER PRICE INDEX FOR THIRD QUARTER 2021

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the third quarter 2021. 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 7.73 per cent in September 2021 compared to 0.17 per cent in September 2020. The index rose from 102.43 in September 2020 to 110.35 in September 2021. The year on year Producer Price Index (PPI) and producer inflation from September 2018 to September 2021 are presented in Figure 1 and Table 1. Over the period, inflation was highest in September 2021.

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

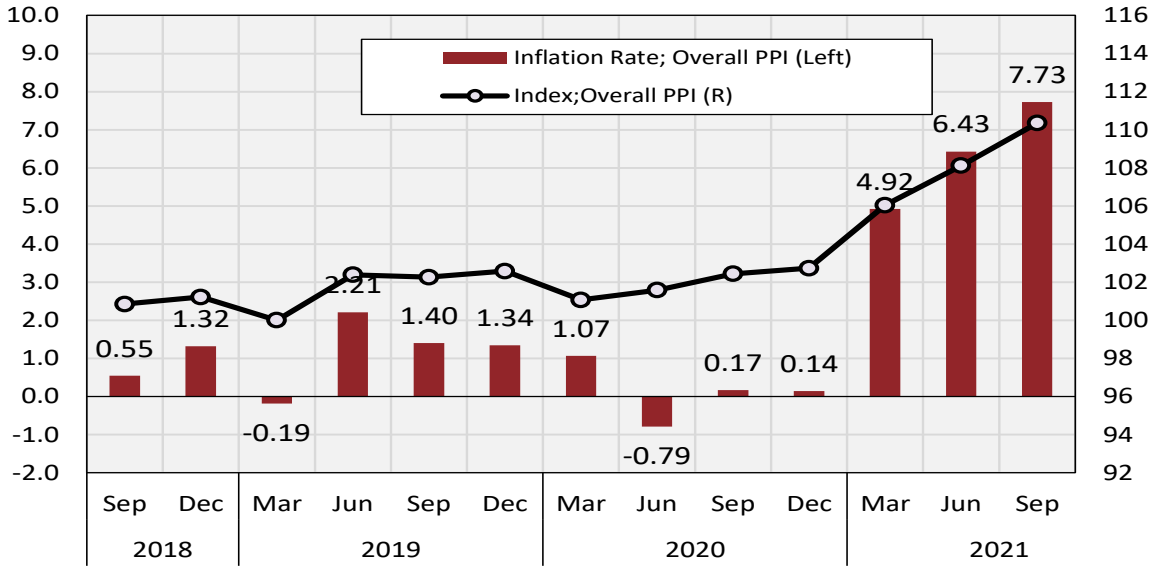


Table 1: Overall PPI and Inflation Rates, September 2018– September 2021

March 2019 = 100

Year	Quarter[1] Ending	Producer Price Indices	PPI-Inflation Rate (%)
2018	September	100.85	0.55
	December	101.22	1.32
2019	March	100.00	-0.19
	June	102.39	2.21
	September	102.26	1.40
	December	102.58	1.34
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	110.35	7.73

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

The year on year industrial producer inflations from September 2020 to September 2021 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 Manufacturing sector recorded the highest price increase at 8.0 per cent in September 2021 followed by Mining and Quarrying with a 7.5 per cent rise.

Table 2: Year on Year Industrial Producer Inflation by Sector

Sector	Sept 2020 / Sept 2019	Dec 2020 / Dec 2019	Mar 2021 / Mar 2020	June 2021 / June 2020	Sept 2021 / Sept 2020
MINING AND QUARRYING	1.9	2.4	1.5	6.1	7.5
MANUFACTURING	0.4	0.1	5.2	6.7	8.0
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	-3.4	0.2	3.6	4.8	6.6
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.3	0.5	0.5	0.2	1.2

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 2021, Mining and Quarrying reported the highest increase in producer price of 4.3 per cent. Electricity followed with a 3.4 per cent rise while Manufacturing registered a 1.9 per cent rise, while Water Supply price remained largely unchanged during the quarter.

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

Sector	Sept 2020/ June 2020	Dec 2020/ Sept 2020	March 2021 / Dec 2020	June 2021 / March 2021	Sept 2021/ June 2021
Mining and quarrying	2.9	3.9	-3.4	2.8	4.3
Manufacturing	0.3	0.1	3.7	2.0	1.9
Electricity, gas, steam and air conditioning supply	1.6	0.9	0.9	1.3	3.4
Water supply, sewerage, waste management and remediation activities	-0.8	0.0	0.0	1.0	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 2021 increased by 2.07 per cent relative to June 2021 prices. Over the same period, manufacture of basic metals registered the highest price rise of 10.0 per cent while prices for manufacture of woods and products of wood had the highest price decline of 2.04 per cent.

Over the last one year, the highest price increase was in the manufacture of basic metals at 31.69 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 2021/ June 2021)	% Change over a year ago (Sept 2021/Sept 2020)
	Mining and Quarrying			
07	Mining of metal ores	**1.52**	3.54	6.61
08	Mining and Quarrying	**0.81**	5.73	9.22
	Manufacturing			
10	Manufacture of food products	**37.30**	-0.74	5.27
11	Manufacture of beverages	**5.61**	4.26	-0.09
12	Manufacture of tobacco products	**1.01**	0.37	4.47
13	Manufacture of textiles	**1.34**	-1.73	4.88
14	Manufacture of wearing apparel	**2.47**	1.00	11.36
15	Manufacture of leather and related products	**1.10**	1.75	8.13
16	Manufacture of wood and of products of wood and cork except furniture	**1.02**	-2.04	-0.34
17	Manufacture of paper and paper products	**3.74**	2.43	4.53
18	Printing and reproduction of recorded media	**2.64**	0.00	2.74
20	Manufacture of chemicals and chemical products	**6.41**	8.38	13.95
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	**1.52**	2.54	11.92
22	Manufacture of rubber and plastics products	**4.41**	0.87	7.86
23	Manufacture of other non-metallic mineral products	**5.91**	0.54	3.55
24	Manufacture of basic metals	**6.99**	10.00	31.69
25	Manufacture of fabricated metal products except machinery and equipment	**2.02**	5.20	13.39
27	Manufacture of electrical equipment	**1.30**	6.70	11.98
29	Manufacture of motor vehicles	**1.92**	0.37	1.33
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	**9.23**	3.37	6.59
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	**1.72**	0.00	1.04
	Total	**100.00**	**2.07**	**7.73**

Table 5 presents the quarterly Producer Price Indices from September 2020 to September 2021. The overall producer index increased from 102.43 in September 2020 to 110.35 in September 2021.

Table 5: Quarterly Producer Price Indices, September 2020 – September 2021

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
07	Mining of metal ores	1.52	106.87	112.36	107.01	110.04	113.93
08	Mining and Quarrying	0.81	102.17	103.56	102.80	105.55	111.60
10	Manufacture of food products	37.30	103.59	104.45	109.49	109.87	109.05
11	Manufacture of beverages	5.61	107.16	105.79	103.50	102.69	107.07
12	Manufacture of tobacco products	1.01	108.30	106.50	104.44	112.73	113.14
13	Manufacture of textiles	1.34	102.91	101.60	103.32	109.83	107.93
14	Manufacture of wearing apparel	2.47	94.50	92.25	94.50	104.19	105.23
15	Manufacture of leather and related products	1.10	107.16	109.31	113.00	113.87	115.87
16	Manufacture of wood and of products of wood and cork except furniture	1.02	95.13	96.44	96.52	96.78	94.81
17	Manufacture of paper and paper products	3.74	94.88	94.42	97.48	96.83	99.18
18	Printing and reproduction of recorded media	2.64	103.64	106.73	106.47	106.47	106.47
20	Manufacture of chemicals and chemical products	6.41	106.96	105.45	105.28	112.45	121.87
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	105.87	108.59	117.47	115.55	118.48
22	Manufacture of rubber and plastics products	4.41	96.62	95.85	100.22	103.33	104.22
23	Manufacture of other non-metallic mineral products	5.91	106.40	105.61	108.32	109.59	110.18
24	Manufacture of basic metals	6.99	99.45	99.45	111.55	119.05	130.96
25	Manufacture of fabricated metal products except machinery and equipment	2.02	100.75	99.16	100.75	108.60	114.25
27	Manufacture of electrical equipment	1.30	101.11	100.36	100.39	106.11	113.22
29	Manufacture of motor vehicles	1.92	91.91	93.86	94.14	92.79	93.14
35	Electricity	9.23	100.44	101.39	102.28	103.56	107.05
36	Water	1.72	100.48	100.48	100.48	101.52	101.52
	Total	**100.00**	**102.43**	**102.73**	**106.04**	**108.11**	**110.35**

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