



PRODUCER PRICE INDEX MARCH QUARTER 2014

Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the March quarter of 2014. 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 producer. 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) Rev 4. The overall producer prices increased by 0.47 per cent in the first quarter of 2014 compared to 0.37 per cent recorded in the fourth quarter of 2013. The 'year on year' PPI inflation, from March 2013 to March 2014 was 0.10 per cent. The main contributors in the first quarter increases were manufacture of beverages and manufacture of chemicals and chemical products. Under manufacture of beverages the producer prices for malt liquor and malt increased and this caused the index to rise by 7.68 per cent. Manufacture of food products declined by 1.4 per cent mainly due to falls in producer prices of sugar and tea.

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

2-Digit ISIC	Descriptions	Weights	Changes over a year ago	Changes over three months ago
10	Manufacture of food products	31.53	-5.15	-1.41
11	Manufacture of beverages	6.02	14.70	7.68
12	Manufacture of tobacco products	1.27	0.48	0.02
13	Manufacture of textiles	2.09	1.29	0.23
14	Manufacture of wearing apparel	2.69	0.50	0.01
15	Manufacture of leather and related products	0.81	0.21	-0.15
16	Manufacture of wood and of products of wood and cork except furniture	2.02	0.80	0.00
17	Manufacture of paper and paper products	2.85	2.37	0.67
18	Printing and reproduction of recorded media	5.23	0.00	0.00
19	Manufacture of coke and refined petroleum products	8.03	4.01	0.46
20	Manufacture of chemicals and chemical products	5.46	3.32	3.83
22	Manufacture of rubber and plastics products	5.04	5.13	1.18
23	Manufacture of other non-metallic mineral products	4.00	1.99	0.45
24	Manufacture of basic metals	6.01	-2.75	-1.67
25	Manufacture of fabricated metal products except machinery and equipment	3.04	-1.81	2.74
29	Manufacture of motor vehicles	1.07	3.43	1.93
35	Electricity	7.95	-1.11	0.09
36	Water	0.42	10.78	0.00
08	Mining and Quarrying	1.48	10.30	2.95
31	Manufacture of Furniture	1.69	1.02	1.02
33	Repair and installation of machinery and equipment	1.31	-0.28	-0.35
	Total	100.00	0.10	0.47

As shown in Table 2, the overall first quarter PPI increased from 106.17 points in the fourth quarter 2013 to 106.67 points in the first quarter 2014. Although Food products decreased by 1.4 per cent in the first quarter of 2014, the producer prices of dairy products and grain mill products like maize flour rose. Producer prices of chemical and chemical products increased due to rise in prices of soap and detergents, cleaning and polishing preparations. The Mining and Quarrying index increased by 2.95 per cent in the first quarter due to rise of salt extraction.

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

2-Digit ISIC	Descriptions	Weights	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
10	Manufacture of food products	31.53	108.41	109.84	109.58	111.32	112.37	110.56	108.28	108.10	106.58
11	Manufacture of beverages	6.02	107.62	108.33	106.52	107.16	107.78	107.04	115.05	114.80	123.62
12	Manufacture of tobacco products	1.27	113.52	113.80	116.06	116.53	116.98	116.84	117.88	117.53	117.55
13	Manufacture of textiles	2.09	104.37	107.16	107.48	106.70	107.66	106.70	109.62	108.80	109.04
14	Manufacture of wearing apparel	2.69	99.56	99.71	99.71	99.71	99.56	99.68	100.23	100.04	100.05
15	Manufacture of leather and related products	0.81	101.18	101.35	101.34	101.46	101.57	101.45	101.81	101.94	101.79
16	Manufacture of wood and of products of wood and cork except furniture	2.02	102.09	102.66	102.66	104.20	104.20	104.77	104.77	105.03	105.03
17	Manufacture of paper and paper products	2.85	107.46	104.62	103.44	103.27	101.79	101.41	102.23	103.51	104.20
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	97.02	102.85	102.85	105.74	103.41	100.12	101.22	107.06	107.56
20	Manufacture of chemicals and chemical products	5.46	107.73	105.79	106.70	107.71	107.50	106.08	106.16	106.97	111.07
22	Manufacture of rubber and plastics products	5.04	103.33	106.73	104.40	100.75	102.52	104.80	106.41	106.53	107.78
23	Manufacture of other non-metallic mineral products	4.00	109.47	111.76	111.76	112.49	113.34	110.27	115.66	115.08	115.60
24	Manufacture of basic metals	6.01	104.41	104.41	100.71	98.50	98.91	99.02	99.02	97.82	96.19
25	Manufacture of fabricated metal products except machinery and equipment	3.04	103.46	103.15	99.52	98.30	98.46	92.86	90.89	94.11	96.68
29	Manufacture of motor vehicles	1.07	110.69	103.38	104.90	112.24	113.01	111.09	111.82	114.67	116.88
35	Electricity	7.95	96.32	97.51	97.49	99.46	101.43	97.34	101.74	100.22	100.31
36	Water	0.42	100.00	102.51	104.90	104.90	108.59	108.59	120.30	120.30	120.30
08	Mining and Quarrying	1.48	106.85	112.24	107.51	103.93	108.08	106.89	114.83	115.80	119.22
31	Manufacture of Furniture	1.69	102.45	102.45	102.45	102.45	102.45	102.45	102.45	102.45	103.50
33	Repair and installation of machinery and equipment	1.31	100.00	100.00	100.00	100.00	100.00	98.98	100.08	100.08	99.72
	Total	100.00	104.69	105.90	105.27	106.02	106.56	105.04	105.78	106.17	106.67