PRODUCER PRICE INDEX SECOND QUARTER 2013

Kenya National Bureau of Statistics hereby releases the Producer Price Indices (PPI) for the second quarter of 2013. Producer Price Indices measure 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 second quarter of 2013 that is from April 2013 to June 2013, the overall producer prices declined by 1.75 per cent. The 'year on year' PPI inflation, from June 2012 to June 2013 was negative 0.74 per cent. In the last three months, electricity index decreased by 4.03 per cent while food products declined by 2.48 per cent.

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

2-Digit ISIC	Descriptions	Weights	(Year on Year - Percentage change (Jun2013/Jun2012)	(Quarter 2 Percentage change (Jun 2013/Mar 2013)
10	Manufacture of food products	31.20	0.37	-2.48
11	Manufacture of beverages	6.02	-1.58	-0.66
12	Manufacture of tobacco products	1.27	2.68	-0.12
13	Manufacture of textiles	2.09	-0.43	-0.89
14	Manufacture of wearing apparel	2.69	-0.03	-0.03
15	Manufacture of leather and related products	1.13	0.47	0.22
16	Manufacture of wood and of products of wood and cork except furniture	2.02	2.05	0.55
17	Manufacture of paper and paper products	2.85	-5.52	-2.90
18	Printing and reproduction of recorded media	5.23	0.00	0.00
19	Manufacture of coke and refined petroleum products	8.03	0.46	-2.89
20	Manufacture of chemicals and chemical products	5.46	0.27	-1.32
22	Manufacture of rubber and plastics products	5.04	-1.81	2.22
23	Manufacture of other non-metallic mineral products	4.00	-1.33	-2.71
24	Manufacture of basic metals	6.01	-5.16	0.11
25	Manufacture of fabricated metal products except machinery and equipment	3.04	-9.97	-5.68
29	Manufacture of motor vehicles	1.07	7.79	-1.39
35	Electricity	7.95	-0.17	-4.03
36	Water	0.42	5.93	0.00
08	Mining and Quarrying	1.48	-4.77	-1.10
31	Manufacture of Furniture	1.69	0.00	0.00
33	Repair and installation of machinery and equipment	1.31	0.00	0.00
	Total	100.00	-0.74	-1.75

As shown in Table 2, the overall second quarter PPI decreased from 107.27 in the first quarter 2013 to 105.39 in the second quarter 2013 while the year on year index declined by 0.74 per cent. Food products decreased from 114.03 in first quarter 2013 to 111.20 in second quarter 2013 mainly due to lower producer prices of milk, cooking fat, tea and sugar. The index of fabricated metal products declined by 5.68 per cent from 98.46 to 92.86 due to a drop in prices of nails and steel products and rolled coils. The index of Producer prices of rubber and plastic products rose by 2.2 per cent in the second quarter due increase of in prices of plastic tanks.

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

2-Digit ISIC	Descriptions	Weights	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
10	Manufacture of food products	31.20	106.43	114.43	108.42	110.79	109.68	111.45	114.03	111.20
11	Manufacture of beverages	6.02	109.53	110.56	107.62	108.33	106.52	107.16	107.34	106.62
12	Manufacture of tobacco products	1.27	116.11	115.35	113.52	113.80	116.06	116.53	116.98	116.84
13	Manufacture of textiles	2.09	101.76	105.93	104.37	107.16	107.48	106.70	107.66	106.70
14	Manufacture of wearing apparel	2.69	100.98	101.12	99.56	99.71	99.71	99.71	99.71	99.68
15	Manufacture of leather and related products	1.13	103.46	104.72	103.02	101.78	101.58	101.73	102.04	102.26
16	Manufacture of wood and of products of wood and cork except furniture	2.02	100.00	101.52	102.09	102.66	102.66	104.20	104.20	104.77
17	Manufacture of paper and paper products	2.85	106.08	108.90	107.46	104.62	103.44	103.27	101.79	98.84
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
19	Manufacture of coke and refined petroleum products	8.03	101.32	103.30	97.02	102.85	102.85	105.74	106.40	103.32
20	Manufacture of chemicals and chemical products	5.46	104.24	106.51	107.73	105.79	106.70	107.71	107.50	106.08
22	Manufacture of rubber and plastics products	5.04	104.71	107.11	103.33	106.73	104.40	100.75	102.52	104.80
23	Manufacture of other non-metallic mineral products	4.00	104.87	113.16	109.47	111.76	111.76	112.49	113.34	110.27
24	Manufacture of basic metals	6.01	105.55	104.41	104.41	104.41	100.71	98.50	98.91	99.02
25	Manufacture of fabricated metal products except machinery and equipment	3.04	105.30	108.62	103.46	103.15	99.52	98.30	98.46	92.86
29	Manufacture of motor vehicles	1.07	104.73	105.68	110.69	103.38	104.90	112.24	113.01	111.44
35	Electricity	7.95	107.90	108.86	96.32	97.51	97.49	99.46	101.43	97.34
36	Water	0.42	100.00	100.00	100.00	102.51	104.90	104.90	108.59	108.59
08	Mining and Quarrying	1.48	101.51	110.42	106.85	112.24	107.51	103.93	108.08	106.89
31	Manufacture of Furniture	1.69	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	100.00	100.00
	Total	100.00	105.07	108.82	104.69	106.18	105.28	106.03	107.27	**105.39**