

CPI AND INFLATION RATES FOR THE MONTH OF DECEMBER 2004

This data is generated through monthly data collection from retail outlets in 13 urban centres in Kenya. The data is perceived to be representative of the spending behaviour of the Kenyan urban households. The price data is collected in the second and third week of the month in the selected retail outlets.

Consumer Price Index (CPI) increased by 0.3 per cent from 171.6 points in November 2004 to 172.2 points in December 2004. However, month-on-month overall inflation rate declined from 16.6 per cent in November 2004 to 16.3 per cent in December 2004. During the same period month-on-month underlying inflation rate which excludes food items from the CPI basket increased marginally from 10.3 per cent to 10.4 per cent.

Table 1 show percentage changes in overall (Kenya) indices in December 2004 compared to November 2004 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	0.3
Alcohol & Tobacco	-0.3
Clothing & Footwear	0.5
Housing Costs	0.2
Fuel & Power	1.2
Household Goods & Services	0.7
Medical Goods and Services	0.8
Transport & Communication	0.2
Recreation & Education	0.1
Personal Goods	0.1

Food and non-alcoholic drink index rose by 0.3 per cent in December 2004 compared to November 2004, mainly as a result of increase in prices of sugar, dry beans, green grams and beef. A kilogramme of green grams was retailing at Kshs 57 in December compared with Kshs 55 in November 2004. There was a slight reduction in Alcohol and Tobacco index as a result of lower prices of miraa (khat). Miraa constitutes 8.5 per cent in consumption of the Alcohol and Tobacco group category.

Fuel and Power index increased by 1.2 per cent in December 2004 compared to November 2004 due to marginal rises in prices of charcoal, electricity and kerosene.

Clothing and Footwear index increased by 0.5 per cent in December 2004 compared to November 2004.

Source: Kenya National Bureau of Statistics