

### CPI AND INFLATION RATES FOR THE MONTH OF JANUARY 2004

The Kenya CPI increased by 2.5 per cent from 148.1 points in December 2003 to 151.8 points in January 2004. During the same period, month-on-month overall inflation rate rose from 8.3 per cent to 9.1 per cent. The month on month underlying inflation for January 2004 remained constant at 2.6 per cent as in December 2003.

Table 1 shows percentage changes in overall (Kenya) indices in January 2004 compared to December 2003 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	3.6
Alcohol & Tobacco	0.0
Clothing & Footwear	0.4
Housing Costs	1.9
Fuel & Power	1.6
Household Goods & Services	0.6
Medical Goods and Services	1.6
Transport & Communication	0.3
Recreation & Education	2.9
Personal Goods	0.0

Food and non-alcoholic drink index rose by 3.6 per cent in January 2004 compared to December 2003. This was mainly as a result of increase in price of milk, wheat flour, english potatoes and a loaf of bread. Prices of vegetables such as cabbages, sukuma wiki (Kales) and onions also rose during the month. On average, a 2 kilograms packet of wheat flour was retailing at Kshs 77.42 in January 2004 compared to Kshs 70.86 in December 2003 an increase of 9.3 per cent. The price of a kilogram of onions increased by 13.2 per cent from Kshs. 31.29 in December to Kshs. 35.45 in January 2004.

Fuel and Power index rose by 1.6 per cent due to increase in the prices of paraffin and charcoal.

In the Education group, the index rose by 2.9 per cent. This was as a result of increase in school fees for boarding secondary schools, tuition fees for both private secondary and primary schools.

Source: Kenya National Bureau of Statistics