

CPI AND INFLATION RATES FOR THE MONTH OF JANUARY 2005

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 1.3 per cent from 172.2 points in December 2004 to 174.4 points in January 2005. However, month-on-month overall inflation rate declined from 16.3 per cent in December 2004 to 14.9 per cent in January 2005. During the same period month-on-month underlying inflation rate which excludes food items from the CPI basket also declined from 10.4 per cent to 9.9 per cent.

Table 1 shows percentage changes in overall (Kenya) indices in January 2005 compared to December 2004 (previous month)

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	1.7
Alcohol & Tobacco	1.1
Clothing & Footwear	0.5
Housing Costs	2.0
Fuel & Power	-1.1
Household Goods & Services	1.0
Medical Goods and Services	0.7
Transport & Communication	-0.4
Recreation & Education	1.9
Personal Goods	0.5

Food and non-alcoholic drink index rose by 1.7 per cent in January 2005 compared to December 2004, mainly as a result of increase in prices of tomatoes, sugar, rice, dry beans and eggs. On average, a kilogramme of tomatoes was retailing at Kshs.38.1 in January 2005 compared to Kshs.31.4 in December 2004.

House rents in some parts of the country rose and this caused the Housing index to increase by 2.0 per cent.

Fuel and Power index declined by 1.1 per cent as a result of reduced cost of electricity.

Private education institutions increase school fees and this caused Education index to rise by 1.9 per cent in January 2005 compared to December 2004.

The Transport and Communication index declined due to lower retail prices of petrol and diesel in January 2005 compared to December 2004.

Source: Kenya National Bureau of Statistics