

### CPI AND INFLATION RATES FOR THE MONTH OF JULY 2008

Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of July 2008, for your information and use. This data is generated through monthly data collection from retail outlets in 13 urban centers in Kenya and is perceived to be representative of the spending behaviour of Kenyan urban households. The prices are collected in the second and third weeks of the month of review in the selected retail outlets. This is in order to maintain consistency in the price variations.

The CPI decreased by 1.42 percent from 290.75 points in June 2008 to 286.62 points in July 2008. Month-on-month overall inflation rate decreased from 29.3 percent in June 2008 to 26.5 percent in July 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket increased from 11.2 percent in June 2008 to 12.2 percent in July 2008.

Table 1 shows Weights and the percentage changes in the indices of broad categories of items in the month of July 2008 compared to June 2008 (previous month) and the month of July 2008 compared to July 2007 (previous year).

**Table 1: One Month and twelve months Change in Price Indices**

Broad Item Group	% Weights	% Change on Previous month (July 08/June 08 )	% Change on Previous year ( July 08/July 07)
Food & Non-alcoholic drink	50.50	-2.9	35.1
Alcohol & Tobacco	2.97	2.7	15.3
Clothing & Footwear	9.00	0.1	5.4
Housing Costs	11.74	0.3	5.5
Fuel & Power	4.18	7.1	27.0
Household Goods & Services	5.82	1.1	9.4
Medical Goods and Services	1.59	1.1	11.3
Transport & Communication	5.75	0.5	20.6
Recreation & Education	6.02	0.2	7.3
Personal Goods	2.45	0.8	7.4
<b>Average all Groups</b>	<b>100.00</b>	<b>-1.4</b>	<b>26.5</b>

Food and non alcoholic drinks index, decreased by 2.9 percent from 390.52 in June 2008 to 379.30 in July 2008 mainly due to decreases in the prices of carrots, tomatoes and onions among other food items. The average price of a Kilogram of carrots for instance, decreased by 19.1 percent from KSh. 65.44 in June 2008 to KSh. 52.92 in July 2008. The prices of tomatoes and onions similarly, decreased by 15.4 and 9.5 percents respectively. These and other price decreases effectively outweighed notable increases in the prices of some food items including Margarine (6.5 percent), Maize flour (2.7 percent), biscuits(2.7 percent) and spaghetti (2.7 percent).

Fuel and power index increased by 7.1 percent from 350.95 in June 2008 to 375.84 in July 2008 mainly due to increases in the prices of electricity and continued increases in the prices of petroleum products especially paraffin. The cost of a litre of paraffin increased by 7.0 percent from KSh. 74.85 in June 2008 to KSh. 80.12 in July 2008. The highest increase however, was on the cost of electricity at 51.4 percent.

Table 2: Overall CPI movement from August 2007 to July 2008: (October 1997=100)

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
August-2007	225.79	-0.3	
September-2007	228.16	1.1	11.7
October-2007	229.99	0.8	10.6
November-2007	233.28	1.4	11.8
December-2007	239.81	2.8	12.0
January-2008	260.94	8.8	18.2
February-2008	266.37	2.1	19.1
March-2008	274.55	3.1	21.8
April-2008	281.88	2.7	26.6
May-2008	291.79	3.5	31.5
June-2008	290.75	-0.4	29.3
July-2008	286.62	-1.4	26.5

Source: Kenya National Bureau of Statistics