

CPI AND INFLATION RATES FOR THE MONTH OF JULY 2009

Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates pertaining to the month of July 2009, for your information and use. This data is generated through monthly data collection from retail outlets in 13 urban centres in Kenya and is perceived to represent the spending behaviour of Kenyan urban households. Prices are collected in selected retail outlets within the second and third weeks of the month of review in order to maintain consistency.

The CPI decreased by 1.4 percent from 342.38 points in June 2009 to 337.59 points in July 2009. Month-on-month overall inflation rate remained at 17.8 percent in July 2009 just as it was in June 2009. The month on month *underlying* inflation rate which *excludes food items* from the CPI basket also dropped from 5.8 percent in June to 4.5 percent in July 2009.

Table 1 shows Weights and the percentage changes to the indices of broad categories of items in the month of July 2009 compared to June 2009 (previous month) and the month of July 2009 compared to July 2008 (previous year).

Table 1: One month and twelve months Changes in the Price Indices

Broad Item Group	% Weights(July09/June09)	% Change on Previous month	% Change on Previous year (July09/July08)
Food & Non-alcoholic drinks	50.50	-2.1	24.4
Alcohol & Tobacco	2.97	0.3	6.1
Clothing & Footwear	9.00	0.0	5.0
Housing Costs	11.74	0.0	9.2
Fuel & Power	4.18	2.2	-7.0
Household Goods & Services	5.82	0.1	8.4
Medical Goods and Services	1.59	0.1	14.3
Transport & Communication	5.75	0.3	1.4
Recreation & Education	6.02	0.2	6.1
Personal Goods	2.45	0.4	11.1
Average all Groups	100.00	-1.4	17.8

Food and non alcoholic drinks' index went down by 2.1 percent from 495.20 points in June to 471.76 points in July 2009. This decrease was due to fall in the prices of English potatoes cabbages, onions and green maize among other food items. On average, the price of a kilogram of English potatoes was retailing at KSh. 35.64 in July compared to KSh.42.05 in June 2009, a decline of 15.26 percent. Similarly, the average prices of onions, cabbages and green maize dropped by 7.47, 6.56 and 4.17 percent respectively. However the prices of carrots and sugar surged upwards by 12.78 and 11.41 percent respectively during the month of July 2009.

During the same review period, the fuel and power index increased by 2.2 percent from 341.98 points in June to 349.33 points in July 2009. This was mainly due to increases in the cost of electricity and paraffin by 6.42 and 3.43 percent respectively. The prices of diesel and petrol similarly went up by 4.00 and 1.69 percent respectively.

**Table 2: Overall CPI movement from August 2008 to July 2009:
(October 1997=100)**

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
August-2008	288.06	0.5	
September-2008	292.57	1.6	28.2
October-2008	295.38	1.0	28.4
November-2008	301.79	2.2	29.4
December-2008	306.28	1.5	27.7
January-2009	318.02	3.8	21.9
February-2009	333.21	4.8	25.1
March-2009	345.33	5.0	25.8
April-2009	355.36	3.8	26.1
May-2009	348.76	-1.9	19.5
June-2009	342.38	-1.8	17.8
July-2009	337.60	-1.4	17.8

Source: Kenya National Bureau of Statistics