

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

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of May 2008, for your information and use. 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 Kenyan urban households. The price data is collected in the second and third week of the month of review in the selected retail outlets. This is in order to maintain consistency in price variations .

Consumer Price Index (CPI) decreased by 0.36 per cent from 291.79 points in May 2008 to 290.75 points in June 2008. Month-on-month overall inflation rate decreased from 31.5 per cent in May 2008 to 29.3 per cent in June 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket increased from 10.5 per cent in May 2008 to 11.2 per cent in June 2008.

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

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

Broad Item Group	% Weights	% Change on Previous month (June 08/May 08 )	% Change on Previous year ( June 08/June 07)
Food & Non-alcoholic drink	50.50	-1.2	40.1
Alcohol & Tobacco	2.97	6.3	14.2
Clothing & Footwear	9.00	0.6	5.3
Housing Costs	11.74	0.1	6.6
Fuel & Power	4.18	2.9	20.1
Household Goods & Services	5.82	1.2	8.6
Medical Goods and Services	1.59	3.1	10.3
Transport & Communication	5.75	1.1	21.0
Recreation & Education	6.02	0.2	6.9
Personal Goods	2.45	0.7	6.8
<b>Average all Groups</b>	<b>100.00</b>	<b>-0.4</b>	<b>29.3</b>

Food and non alcoholic drinks index, decreased by 1.2 percent from 395.11 in May 2008 to 390.52 in June 2008 mainly due to decreases in the prices of tomatoes, English potatoes and onions among other food items. The average price of a Kilogram of tomatoes for instance, decreased by 14.1 percent from KSh. 74.77 in May 2008 to KSh. 64.21 in June 2008. The prices of English potatoes and onions similarly, decreased by 10.0 and 8.0 percentages respectively. These and other price decreases effectively outweighed notable increases in the prices of some food items including carrots (9.2 per cent), Maize grains (6.1 per cent) and rice (5.9 per cent).

Alcohol and tobacco index increased by 6.3 per cent from 200.63 in May 2008 to 213.20 in June 2008 mainly due to increases in the prices of cigarettes and beer. On average, the price of a packet of cigarettes (first choice) increased by 9.8 per cent from KSh. 67.86 in May 2008 to KSh.74.49 in June 2008. Beer prices increased by 5.7 per cent from KSh. 87.26 to KSh. 92.22 per 500 MI. Likewise, the price of traditional liquor increased by 3.9 per

cent in June 2008 compared to May 2008

Fuel and power index increased by 2.9 per cent from 341.18 in May 2008 to 350.95 in June 2008 mainly due to continued increases in the prices of petroleum products. The cost of a litre of Diesel for instance increased by 6.0 percent from KSh. 87.69 in May 2008 to KSh. 92.95 in June 2008.

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

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
July -2007	226.57	0.7	
August-2007	225.79	-0.3	12.4
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

*Source: Kenya National Bureau of Statistics*