

### CPI AND INFLATION RATES FOR THE MONTH OF MARCH 2007

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of March 2007, 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) increased by 0.8 per cent from 223.6 points in February 2007 to 225.3 points in March 2007. Month-on-month overall inflation rate decelerated from 6.8 per cent in February 2007 to 5.9 per cent in March 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket remained at 6.1 per cent in March 2007 as the previous month.

Prices of some food commodities declined in March 2007 compared to March 2006 and thus the low inflation rates. In the first quarter of 2006, prices of foodstuffs were high due to drought.

Table 1 shows price changes of some selected items in the month of March 2007 compared to March 2006.

Table 1: One year Change in Prices

| Item               | Unit | Price 2006 | Price 2007 | % Change |
|--------------------|------|------------|------------|----------|
| Sukuma Wiki (Kale) | 1 Kg | 41.16      | 28.08      | -46.35   |
| Cabbages           | 1 Kg | 30.07      | 19.41      | -35.46   |
| English Potatoes   | 1 Kg | 33.21      | 24.18      | -27.18   |
| Green grams        | 1 Kg | 94.90      | 67.00      | -29.40   |

Table 2 shows percentage changes in indices of broad categories of items in the month of March 2007 compared to February 2007 (previous month).

Table 1: One Month Change in Prices

| Broad Item Group             | % Change on Previous month |
|------------------------------|----------------------------|
| Food and Non-Alcoholic Drink | 1.2                        |
| Alcohol & Tobacco            | 0.6                        |
| Clothing & Footwear          | 0.4                        |
| Housing Costs                | 0.5                        |
| Fuel & Power                 | -0.5                       |
| Household Goods & Services   | 0.4                        |
| Medical Goods and Services   | 0.1                        |
| Transport & Communication    | -0.6                       |
| Recreation & Education       | 0.1                        |
| Personal Goods               | 0.1                        |

Food and non-alcoholic drink index rose by 1.2 per cent in March 2007 compared to February 2007 mainly due to rise in prices of cabbages, onions, fish, chicken and eggs. On average, a kilogramme of chicken was retailing at

Kshs 280 in March 2007 compared with Kshs 260 in February 2007.

Fuel and Power index declined by 0.5 per cent in March compared with February due to decrease in the prices of kerosene and charcoal.

Transport and Communications index declined by 0.6 per cent due to lower prices of petrol and diesel in March compared with February.

Table 3 shows some selected items which had high price changes over the last twelve months.

**Table 3: One year Change in Prices**

| Item     | Unit | Price 2006 | Price 2007 | % increase |
|----------|------|------------|------------|------------|
| Tomatoes | 1 Kg | 40.82      | 64.86      | 59 .0      |
| Sugar    | 1 Kg | 60.24      | 76.14      | 26.4       |
| Onions   | 1 Kg | 45.90      | 58.30      | 27.0       |

Retail prices of tomatoes, sugar and onions had the highest increase in March 2007 compared with March 2006.

*Source: Kenya National Bureau of Statistics*