

CPI AND INFLATION RATES FOR THE MONTH OF MARCH 2008

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of March 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 price variations.

Consumer Price Index (CPI) increased by 3.07 per cent from 266.37 points in February 2008 to 274.55 points in March 2008. Month-on-month overall inflation rate increased from 19.1 per cent in February 2008 to 21.8 per cent in March 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket also increased from 9.3 per cent in February 2008 to 9.8 per cent in March 2008.

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

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

Broad Item Group	% Weights	% Change on Previous month (Mar 08/Feb08)	% Change on Previous year (Mar 08/Mar07)
Food & Non-alcoholic drinks	50.50	4.3	28.8
Alcohol & Tobacco	2.97	0.7	14.2
Clothing & Footwear	9.00	0.9	4.8
Housing Costs	11.74	0.7	6.2
Fuel & Power	4.18	0.7	15.6
Household Goods & Services	5.82	1.1	7.6
Medical Goods and Services	1.59	0.3	8.0
Transport & Communication	5.75	-0.1	19.1
Recreation & Education	6.02	0.1	6.7
Personal Goods	2.45	0.8	5.7
Average all Groups	100.00	3.1	21.8

Food and non-alcoholic drinks' index increased by 4.3 per cent from 348.0 in February 2008 to 363.05 in March 2008 mainly due to increases in the price of tomatoes, Sukuma-wiki, beans and maize flour. On average, the price of a kilogram of tomatoes increased by 12.7 per cent from KSh 40.59 in February to KSh 45.75 in March 2008. A kilogram of sukuma-wiki retailed at an average price of KSh. 29.51 in March 2008 up from KSh. 27.63 in February representing a rise of 6.8 per cent. Likewise, the prices of beans and maize flour increased by 6.6 and 2.3 percentages respectively.

Fuel and power index increased by 0.7 per cent from 326.09 in February 2008 to 328.48 in March mainly due to increases in the price of electricity. The cost of consuming 50 kilowatt hours of electricity went up by 10.7 per cent from KSh. 284.88 in February 2008 to KSh. 315.38 in March due to increases in fuel costs and foreign exchange adjustments.

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

Month	Overall CPI	% Change on	% Change over the same
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		Previous month	month one year ago
April -2007	222.61	-1.2	
May -2007	221.83	-0.3	6.3
June -2007	224.93	1.4	11.1
July -2007	226.57	0.7	13.6
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

Over the last 12 months the CPI has increased from 225.30 points in March 2007 to 266.37 points in February 2008, a rise of 18.2 per cent .

Source: Kenya National Bureau of Statistics