

CPI AND INFLATION RATES FOR THE MONTH OF OCTOBER 2006

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of October 2006, 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 1.9 per cent from 204.2 points in September 2006 to 208.0 points in October 2006. Month-on-month overall inflation rate accelerated from 13.8 per cent in September 2006 to 15.7 per cent in October 2006. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket also rose from 5.7 per cent to 6.0 per cent.

Table 1 shows percentage changes in indices of broad categories of items in the month of October 2006 compared to September 2006 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	2.9
Alcohol & Tobacco	0.5
Clothing & Footwear	0.1
Housing Costs	0.3
Fuel & Power	1.2
Household Goods & Services	0.3
Medical Goods and Services	-0.3
Transport & Communication	-0.3
Recreation & Education	-0.2
Personal Goods	0.0

Food and non-alcoholic drink index rose by per 2.9 cent in October 2006 compared to September 2006. This was mainly attributed to increase in prices of English potatoes, sugar, cabbages and dry beans. On average, a kilogramme of English potatoes was retailing at Kshs 23.40 in October 2006 compared with Kshs 21.20 in September 2006. A kilogramme of sugar was selling at an average price of Kshs 69.68 in October 2006 compared with Kshs 63.68 in September 2006 an increase of 9.4 per cent .

Fuel and Power index rose by 1.2 per in October 2006 compared with September 2006 due to increase in the cost of electricity as a result of rise in fuel adjustment costs .

Transport and Communications index declined by 0.3 per cent in October 2006 compared with September 2006 due to reduction in the prices of petrol. On average, a litre of super gasoline was selling at Kshs 81.82 in October 2006 compared with Kshs 83.46 in September 2006 a decrease of 2.0 per cent.

Table 2 shows percentage changes in indices of broad categories of items in the month of October 2006 compared to last year (October 2005) .

Table 2: One Year Change in Price Indices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	23.0
Alcohol & Tobacco	9.3

Clothing & Footwear	2.8
Housing Costs	5.1
Fuel & Power	13.5
Household Goods & Services	3.9
Medical Goods and Services	3.4
Transport & Communication	8.2
Recreation & Education	2.2
Personal Goods	1.9
Average All Groups	15.7

Over the last twelve months, Food and Non-alcoholic drinks index had the highest increase of 23.0 per cent. On average, a kilogramme of green grams was retailing at Kshs 72.50 in October 2006 compared with Kshs 55.0 in October 2005 .

Source: Kenya National Bureau of Statistics