

CPI AND INFLATION RATES FOR THE MONTH OF SEPTEMBER 2008

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

The CPI increased by 1.57 percent from 288.06 points in August 2008 to 292.57 points in September 2008. Month-on-month overall inflation rate increased from 27.6 percent in August 2008 to 28.2 percent in September 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket increased from 13.1 percent in August 2008 to 13.3 percent in September 2008.

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

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

Broad Item Group	% Weights	% Change on Previous month (Sep 08/Aug 08)	% Change on Previous year (Sep 08/Sep 07)
Food & Non-alcoholic drink	50.50	2.0	37.2
Alcohol & Tobacco	2.97	0.6	15.6
Clothing & Footwear	9.00	0.1	5.8
Housing Costs	11.74	2.0	6.8
Fuel & Power	4.18	0.5	31.6
Household Goods & Services	5.82	0.7	10.5
Medical Goods and Services	1.59	1.4	14.0
Transport & Communication	5.75	0.3	19.1
Recreation & Education	6.02	0.3	7.7
Personal Goods	2.45	0.7	9.1
Average all Groups	100.00	1.6	28.2

Food and non alcoholic drinks index, increased by 2.0 percent from 379.84 in August 2008 to 387.31 in September 2008 mainly due to increase in the prices of rice, maize flour and beans among other food items. The average price of two Kilograms of rice grade one for instance, increased by 6.92 percent from KSh. 233.64 in August to KSh. 249.81 in September 2008. Prices of maize flour and beans, similarly increased by 4.16 and 3.06 percents, respectively. These and other price increases outweighed notable falls in the prices of some food items like carrots (10.36 percent), tomatoes (8.90 percent) and Sukuma Wiki (3.05 percent).

The housing index increased by 2.0 percent from 174.38 in August 2008 to 177.78 in September 2008. This was mainly due to increases in the cost of renting by an average of 3.49 percent between the months of August and September 2008.

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

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
October-2007	229.99	0.8	
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
July-2008	286.62	-1.4	26.5
August-2008	288.06	0.5	27.6
September-2008	292.57	1.6	28.2

Source: Kenya National Bureau of Statistics