

CPI AND INFLATION RATES FOR THE MONTH OF APRIL 2007

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of April 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) decreased by 1.2 per cent from 225.3 points in March 2007 to 222.61 points in April 2007. Month-on-month overall inflation rate decelerated from 5.9 per cent in March 2007 to 5.7 per cent in April 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket also declined from 6.1 per cent in March 2007 to 5.9 per cent in April 2007.

Table 1 shows percentage changes in indices of broad categories of items in the month of April 2007 compared to March 2007 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	-2.1
Alcohol & Tobacco	-0.4
Clothing & Footwear	0.3
Housing Costs	0.6
Fuel & Power	0.9
Household Goods & Services	0.0
Medical Goods and Services	0.0
Transport & Communication	0.1
Recreation & Education	0.0
Personal Goods	0.1

Food and non-alcoholic drink index dropped by 2.1 per cent in April 2007 compared to March 2007 mainly due to decrease in prices of tomatoes, Kale (sukuma wiki), sugar, maize flour and maize grain. On average, a kilogramme of tomatoes was retailing at Kshs 53.33 in April 2007 compared with Kshs 64.85 in March 2007 a decline of 17.8 per cent while a kilogramme of sugar was selling at Kshs 71.63 in April 2007 compared with Kshs 76.14 in March 2007.

Fuel and Power index increased by 0.9 per cent in April compared with March 2007 due to rise in the cost of electricity.

Although inflation rates declined from January 2007 to March 2007, it does not mean that prices were decreasing. It is only rate of change which was decelerating since inflation rates reported compares percentage changes of the current month's index and the index of the same month a year ago. Table 2 gives an analysis of how general prices have been changing from November 2006 to April 2007.

Table 2: Changes in the Kenya Consumer Price Indices (CPI)

Month	Consumer Price Index (CPI)	% Change of CPI from one month to the next
Nov-06	208.60	
Dec-06	214.05	2.6
Jan-07	220.72	3.1
Feb-07	223.59	1.3
Mar-07	225.30	0.8
Apr-07	222.61	-1.2

This year, general prices of goods and services have increased by 0.9 per cent from 220.72 points in January 2007 to 222.61 points in April 2007.

Table 3 shows percentage changes in indices of broad categories of items in the month of April 2007 compared to last year (April 2006).

Table 3: One Year Change in Price Indices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	5.5
Alcohol & Tobacco	5.1
Clothing & Footwear	3.8
Housing Costs	7.2
Fuel & Power	10.5
Household Goods & Services	5.2
Medical Goods and Services	4.1
Transport & Communication	5.8
Recreation & Education	3.3
Personal Goods	2.6
Average All Groups	5.7

Over the last twelve months, Fuel and Power index had the highest increase of 10.5 per cent.

Source: Kenya National Bureau of Statistics