

CPI AND INFLATION RATES FOR THE MONTH OF AUGUST 2007

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of August 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) declined by 0.3 per cent from 226.6 points in July 2007 to 225.8 points in August 2007. Month-on-month overall inflation rate decelerated from 13.6 per cent in July 2007 to 12.4 per cent in August 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket also declined from 5.6 per cent in July 2007 to 5.2 per cent in August 2007.

Table 1 shows percentage changes in indices of broad categories of items in the month of August 2007 compared to July 2007 (previous month) and the month of August 2006 compared to August 2007 (previous year).

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

Broad Item Group	% Change on Previous month year (August 07/ August 06)	% Change on Previous month (August 07/ July 07)
Food & Non-alcoholic drink	-0.8	17.2
Alcohol & Tobacco	0.1	8.1
Clothing & Footwear	0.0	2.7
Housing Costs	0.1	6.5
Fuel & Power	0.7	7.0
Household Goods & Services	0.6	6.3
Medical Goods and Services	0.2	4.9
Transport & Communication	1.6	3.8
Recreation & Education	0.1	2.7
Personal Goods	0.2	4.1
Average all Groups	-0.3	12.4

Food and non-alcoholic drink index declined by 0.8 per cent in August 2007 compared to July 2007 mainly due to decrease in prices of tomatoes, onions, pawpaws and cooking bananas. On average, a kilogramme of tomatoes was selling at an average price of Ksh 37.30 in August 2007 compared with Ksh 43.30 in July 2007 a fall of 13.9 per cent. The average price of a kilogramme of onions was Ksh 51.90 in August 2007 compared with an average of Ksh 58.80 in July 2007.

Fuel and Power index increased by 0.7 per cent in August compared with July mainly due to rise in the cost of electricity.

Transport and Communications index rose by 1.6 per cent in August 2007 compared with July 2007 due to increases in the prices of petrol, diesel and public transport fares.

Table 2 shows the CPI movement from January 2007 to August 2007. The CPI gives price movement of goods and services in the basket.

Table 2: Overall CPI –Base period: October 1997=100

Month	Overall CPI	% Change on Previous month	% Change on Previous Year (month in 2007 over same month in 2006)
January-2007	220.72		9.7
February-2007	223.59	1.3	6.8
March-2007	225.30	0.8	5.9
April -2007	222.61	-1.2	5.7
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

The CPI has increased from 220.72 points in January 2007 to 225.79 points in August 2007 a rise of 2.3 per cent.

Source: Kenya National Bureau of Statistics

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