

CPI AND INFLATION RATES FOR THE MONTH OF FEBRUARY 2008

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of February 2008, 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 2.1 per cent from 260.94 points in January 2008 to 266.37 points in February 2008. Month-on-month overall inflation rate accelerated slightly from 18.2 per cent in January 2008 to 19.1 per cent in February 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket accelerated from 7.6 per cent in January 2008 to 9.3 per cent in February 2008.

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

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

Broad Item Group	% Weights	% Change on Previous month (Feb 08/Jan 08)	% Change on Previous year (Feb 08/Feb 07)
Food & Non-alcoholic drink	50.50	2.4	24.9
Alcohol & Tobacco	2.97	1.2	14.0
Clothing & Footwear	9.00	0.9	4.4
Housing Costs	11.74	0.5	5.9
Fuel & Power	4.18	2.4	14.1
Household Goods & Services	5.82	1.7	6.9
Medical Goods and Services	1.59	4.1	7.7
Transport & Communication	5.75	0.6	18.5
Recreation & Education	6.02	4.0	6.7
Personal Goods	2.45	0.9	5.0
Average all Groups	100.00	2.1	19.1

Food and non-alcoholic drinks' index increased by 2.4 per cent in February 2008 compared to January 2008 due to increases in the price of cooking fat, salad oil and carrots. On average, the price of a kilogram of cooking fat increased by 16.6 percent from Ksh 83.08 in January to Ksh96.86 in February 2008. A Litre of salad oil retailed at an average price of Ksh. 121.62 in February 2008 up from Ksh. 108.65 in January representing a rise of 11.94 percent .

Medical goods and services' index increased by 4.1 percent in February 2008 compared to January due to increases in the prices of pain killers and consultancy services. The average price of pain killers increased by 6.5 percent from Ksh 22.90 in January 2008 to Ksh 24.39 in February 2008. Consultancy services prices increased by 3.3 percent from an average of Ksh. 309.30 in January to Ksh 319.47 February.

Table 2: Overall CPI movement from March 2007 to February 2008: (October

1997=100)

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
March-2007	225.30	0.8	
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
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

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