

### CPI AND INFLATION RATES FOR THE MONTH OF JANUARY 2008

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of January 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 8.8 per cent from 239.81 points in December 2007 to 260.94 points in January 2008. Month-on-month overall inflation rate accelerated from 12.0 per cent in December 2007 to 18.2 per cent in January 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket accelerated from 5.9 per cent in December 2007 to 7.6 per cent in January 2008.

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

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

Broad Item Group	% Change on Previous month ( January 08/December 07 )	% Change on Previous year ( January 08/January 07 )
Food & Non-alcoholic drink	12.4	24.6
Alcohol & Tobacco	1.8	12.8
Clothing & Footwear	0.7	3.6
Housing Costs	0.9	5.2
Fuel & Power	4.7	10.6
Household Goods & Services	0.7	5.4
Medical Goods and Services	1.3	3.6
Transport & Communication	7.7	17.8
Recreation & Education	1.8	2.7
Personal Goods	0.4	4.4
<b>Average all Groups</b>	<b>8.8</b>	<b>18.2</b>

Food and non-alcoholic drinks' index increased by 12.4 per cent in January 2008 compared to December 2007 due to increases in the price of cabbages, kale (sukuma-wiki), English potatoes, onions, carrots and tomatoes. On average, the price of a cabbage increased by 24.9 per cent from Ksh. 20.15 in December 2007 to Ksh. 25.16 in January 2008. A Kilogram of English potatoes increased by 21.6 per cent from Ksh. 29.83 in December 2007 to Ksh. 36.27 in January 2008, while a kilogram of onions increased by 12.0 per cent from Ksh. 49.91 to Ksh. 55.92 within the same period.

Fuel and power index increased by 4.7 per cent in January 2008 compared to December 2007 as a result of increases in the price of Charcoal and Paraffin. The transport and communication index increased by 7.7 per cent in January 2008 compared to December 2007 mainly due to increases in fares for buses plying outside town. On average, bus fares outside town increased by 38.9 per cent in January 2008 compared to December 2007.

**Table 2: One year Change in Prices**

Item	Unit	Price - January '07	Price - January '08	% increase
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English Potatoes	1 Kg	24.6	36.27	47.5
Cabbages	1 Kg	17.58	25.16	43.2
Bus fares outside town	-	604.17	862.5	42.8
Wheat Flour- White	1 Kg	83.99	115.05	37.0
Fresh Fish	1 Kg	189.61	252.0	32.9

Table 3: Overall CPI movement from February 2007 to January 2008:  
(October 1997=100)

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
February-2007	223.59		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
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

The CPI has increased from 223.59 points in February 2007 to 260.94 points in January 2008, a rise of 16.7 per cent.

Source: Kenya National Bureau of Statistics