

### CPI AND INFLATION RATES FOR THE MONTH OF JULY 2007

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of July 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) increased by 0.7 per cent from 224.9 points in June 2007 to 226.6 points in July 2007. Month-on-month overall inflation rate accelerated from 11.1 per cent in June 2007 to 13.6 per cent in July 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket also increased from 5.2 per cent in June 2007 to 5.6 per cent in July 2007.

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

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

Broad Item Group	% Change on Previous month (July 07/June 07)	% Change on Previous year (July 07/July 06)
Food & Non-alcoholic drink	0.7	18.9
Alcohol & Tobacco	1.8	9.8
Clothing & Footwear	0.1	3.0
Housing Costs	1.3	7.2
Fuel & Power	1.2	8.7
Household Goods & Services	0.4	6.0
Medical Goods and Services	0.1	4.8
Transport & Communication	0.8	3.2
Recreation & Education	-0.1	2.9
Personal Goods	0.3	3.8
<b>Average all Groups</b>	<b>0.7</b>	<b>13.6</b>

Food and non-alcoholic drink index rose by 0.7 per cent in July 2007 compared to June 2007 mainly due to increase in prices of kale (*sukuma wiki*), cabbages, sugar and a loaf of bread. On average, a kilogramme of cabbages was selling at Kshs 20.00 in July 2007 compared with Kshs 19.28 in June 2007.

Alcohol and Tobacco index increased by 1.8 per cent in July 2007 compared to June 2007 due to rise in prices of wines and spirits.

The prices of cooking gas and charcoal increased in July 2007 compared to June 2007 and this caused Fuel and Power index to rise by 1.2 per cent.

Housing costs increased by 1.3 per cent during the month under review.

Table 2 shows the CPI movement from January 2007 to July 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

The CPI has increased from 220.72 points in January 2007 to 226.57 points in July 2007 a rise of 2.7 per cent.

*Source: Kenya National Bureau of Statistics*