

CPI AND INFLATION RATES FOR THE MONTH OF MAY 2005

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of May 2005, 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 0.6 per cent from 183.4 points in April 2005 to 184.5 points in May 2005. The month-on-month overall inflation rate declined from 16.0 per cent in April 2005 to 14.8 per cent in May 2005. During the same period, month-on-month underlying inflation rate which excludes food items from the CPI basket rose from 8.0 per cent to 8.6 per cent.

Table 1 shows percentage changes in indices of broad categories in May 2005 compared to April 2005 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	0.5
Alcohol & Tobacco	-0.6
Clothing & Footwear	0.0
Housing Costs	0.9
Fuel & Power	1.6
Household Goods & Services	0.4
Medical Goods and Services	0.1
Transport & Communication	1.2
Recreation & Education	0.9
Personal Goods	0.4

Food and non-alcoholic drink index increased by 0.5 per cent in May 2005 compared to April 2005. This was mainly attributed to rise in prices of English potatoes, tomatoes, maize flour, maize grain and onions. Due to the on-going heavy rains, prices of some food commodities especially vegetables are expected to decline in the month of June 2005.

The average price of miraa dropped in May 2005 compared to April 2005 and this caused Alcohol and Tobacco index to drop by 0.6 per cent.

Fuel and Power index rose by 1.6 per cent in May 2005 compared to April 2005 mainly as a result of increase in the price of kerosene. On average, a litre of paraffin was retailing at Kshs 48.79 in May 2005 compared to Kshs 38.19 in May 2004 an increase of 27.7 per cent.

The average prices of petrol and diesel were higher in May 2005 than April 2005 and this caused Transport and Communication index to rise by 1.2 per cent. In May 2005 a litre of super petrol was selling at an average price of Kshs 69.70 compared to Kshs 62.70 in May 2004 a rise of 11.2 per cent

Source: Kenya National Bureau of Statistics