

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

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of May 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) decreased by 0.3 per cent from 222.6 points in April 2007 to 221.8 points in May 2007. However, month-on-month overall inflation rate accelerated from 5.7 per cent in April 2007 to 6.3 per cent in May 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket declined from 5.9 per cent in April 2007 to 5.7 per cent in May 2007 .

Table 1 shows percentage changes in indices of broad categories of items in the month of May 2007 compared to April 2007 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	-0.7
Alcohol & Tobacco	0.7
Clothing & Footwear	0.2
Housing Costs	-0.1
Fuel & Power	0.9
Household Goods & Services	0.6
Medical Goods and Services	0.7
Transport & Communication	0.0
Recreation & Education	-0.1
Personal Goods	0.5

Food and non-alcoholic drink index dropped by 0.7per cent in May 2007 compared to April 2007 mainly due to decrease in prices of tomatoes, carrots, maize grain, eggs and sugar. On average, a kilogramme of tomatoes was selling at Kshs 45.70 in May 2007 compared to Kshs 52.90 in April 2007 a decline of 13.5 per cent .

Alcohol and Tobacco index rose by 0.7 per cent in May 2007 compared with April 2007 due to rise in the prices of traditional beer.

Fuel and Power index increased by 0.9 per cent in May compared with April due to rise in the prices of charcoal and kerosene.

Household Goods and Services, Medical Goods and Services and Personal Goods also recorded some price increases in May compared with April 2007.

This year, general prices of goods and services have increased by 3.6 per cent from 214.1 points in December 2006 to 221.8 points in May 2007.

Table 2 shows percentage changes in indices of broad categories of items in

the month of May 2007 compared to last year (May 2006).

Table 3: One Year Change in Price Indices

<b>Broad Item Group</b>	<b>% Change on Previous month</b>
Food and Non-Alcoholic Drink	6.7
Alcohol & Tobacco	6.6
Clothing & Footwear	4.0
Housing Costs	7.1
Fuel & Power	8.6
Household Goods & Services	5.7
Medical Goods and Services	3.5
Transport & Communication	5.6
Recreation & Education	3.2
Personal Goods	3.0
<b>Average All Groups</b>	<b>6.3</b>

Over the last twelve months, Fuel and Power index had the highest increase of 8.6 per cent.

*Source: Kenya National Bureau of Statistics*