

CPI AND INFLATION RATES FOR THE MONTH OF MAY 2008

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of May 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 3.51 per cent from 281.88 points in April 2008 to 291.79 points in May 2008. Month-on-month overall inflation rate increased from 26.6 per cent in April 2008 to 31.5 per cent in May 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket also increased from 9.6 per cent in April 2008 to 10.5 per cent in May 2008.

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

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

Broad Item Group	% Weights	% Change on Previous month (May 08/Apr 08)	% Change on Previous year (May 08/May 07)
Food & Non-alcoholic drink	50.50	4.6	44.2
Alcohol & Tobacco	2.97	-0.2	13.0
Clothing & Footwear	9.00	1.1	5.2
Housing Costs	11.74	0.6	6.5
Fuel & Power	4.18	3.1	17.9
Household Goods & Services	5.82	1.4	8.4
Medical Goods and Services	1.59	1.0	8.3
Transport & Communication	5.75	0.7	20.3
Recreation & Education	6.02	1.1	6.8
Personal Goods	2.45	1.2	6.9
Average all Groups	100.00	3.5	31.5

Food and non-alcoholic drinks' index increased by 4.64 per cent from 377.59 in April 2008 to 395.11 in May 2008 mainly due to increases in the price of tomatoes, maize flour and rice among other food items. On average, the price of a kilogram of tomatoes increased by 13.03 per cent from KSh. 66.15 in April to KSh. 74.77 in May 2008. A two kilogram packet of maize flour retailed at an average price of KSh. 67.68 in May 2008 up from KSh. 63.21 in April representing a rise of 7.07 per cent. Likewise, the prices of maize grains and rice increased by 8.82 and 10.93 per cent, respectively.

Fuel and power index increased by 3.07 per cent from 331.01 in April 2008 to 341.18 in May 2008 mainly due to continued increases in the prices of petroleum products. The cost of a litre of paraffin for instance increased by 4.34 per cent from KSh. 68.28 in April 2008 to KSh. 71.25 in May 2008.

Table 2: Overall CPI movement from June 2007 to May 2008: (October 1997=100)

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
June -2007	224.93	1.4	
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
March-2008	274.55	3.1	21.8
April-2008	281.88	2.7	26.6
May-2008	291.79	3.5	31.5

Source: Kenya National Bureau of Statistics