

CPI AND INFLATION RATES FOR THE MONTH OF OCTOBER 2005

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of October 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 0.3 per cent from 179.4 points in September 2005 to 179.8 points in October 2005. Month-on-month overall inflation rate declined from 4.3 per cent in September 2005 to 3.7 per cent in October 2005. On the other hand, month-on-month underlying inflation rate which excludes food items from the CPI basket also decreased from 6.6 per cent to 5.7 per cent.

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

Table 1: One Month Change in Prices

| Broad Item Group | % Change on Previous month |
|------------------------------|----------------------------|
| Food and Non-Alcoholic Drink | 0.4 |
| Alcohol & Tobacco | 0.4 |
| Clothing & Footwear | 0.3 |
| Housing Costs | 0.0 |
| Fuel & Power | -0.3 |
| Household Goods & Services | 0.2 |
| Medical Goods and Services | 0.1 |
| Transport & Communication | 0.1 |
| Recreation & Education | 0.0 |
| Personal Goods | 0.4 |

Food and non-alcoholic drink index increased by 0.4 per cent in October 2005 compared to September 2005. This was mainly attributed to rise in prices of kales (sukuma wiki), mangoes, cabbages and oranges.

The price of Miraa (Khat) was higher in October 2005 compared to September 2005 and this caused Alcohol and Tobacco index to increase by 0.4 per cent.

Electricity cost reduced in October compared to September and this caused Fuel and Power index to decline by 0.3 per cent.

Prices of most of the other commodities in the Consumer Price Index (CPI) basket were relatively stable in October 2005 compared with September 2005

Table 2 shows percentage changes in indices of broad categories of items in the month of October 2005 compared to last year (September 2004).

Table 2: One Year Change in Price Indices

| Broad Item Group | % Change on Previous month |
|------------------------------|----------------------------|
| Food and Non-Alcoholic Drink | 2.3 |
| Alcohol & Tobacco | 8.6 |
| Clothing & Footwear | 3.3 |
| Housing Costs | 4.6 |
| Fuel & Power | 11.0 |
| Household Goods & Services | 5.8 |
| Medical Goods and Services | 6.5 |
| Transport & Communication | 5.5 |
| Recreation & Education | 4.2 |
| Personal Goods | 3.3 |
| Average All Groups | 3.7 |

Fuel and Power index had the highest increase of 11.0 per cent over the year as a result of rises in prices of cooking gas, paraffin and electricity. .

Source: Kenya National Bureau of Statistics