

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

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of October 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 0.8 per cent from 228.16 points in September 2007 to 229.99 points in October 2007. Month-on-month overall inflation rate decelerated from 11.7 per cent in September 2007 to 10.6 per cent in October 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket increased from 5.1 per cent in September 2007 to 5.2 per cent in October 2007.

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

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

Broad Item Group	% Change on Previous month ( October 07/September 07 )	% Change on Previous year ( October 07/October 06 )
Food & Non-alcoholic drink	1.1	14.0
Alcohol & Tobacco	0.3	7.8
Clothing & Footwear	0.0	2.8
Housing Costs	0.4	7.5
Fuel & Power	0.8	5.9
Household Goods & Services	0.3	6.2
Medical Goods and Services	0.0	4.4
Transport & Communication	0.2	3.1
Recreation & Education	0.5	3.2
Personal Goods	0.1	3.7
<b>Average all Groups</b>	<b>0.8</b>	<b>10.6</b>

Food and non-alcoholic drinks' index increased by 1.1 per cent in October 2007 compared to September 2007 as a result of increase in prices of wheat flour, tomatoes, pawpaw and fresh packed milk. On average, 2 Kilogramme packet of wheat flour increased by 7.5 per cent in October 2007 to Ksh. 109.83 while a kilogramme of tomatoes was retailing at Ksh. 36.08 in October 2007 compared to Ksh. 34.79 in September 2007.

Fuel and power index increased by 0.8 per cent in October 2007 compared to September 2007 due to the increase in the price of fuel. On Average, a litre of diesel was retailing at Ksh. 71.14 in October 2007 compared to Ksh. 68.43 in September 2007.

Table 2 shows the CPI movement from January 2007 to October 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
August-2007	225.79	-0.3	12.4
September-2007	228.16	1.1	11.7
October-2007	229.99	0.8	10.6

The CPI has increased from 220.72 points in January 2007 to 229.99 points in October 2007, a rise of 4.2 per cent.

*Source: Kenya National Bureau of Statistics*