

### CPI AND INFLATION RATES FOR THE MONTH OF OCTOBER 2008

Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of October 2008, for your information and use. This data is generated through monthly data collection from retail outlets in 13 urban centers in Kenya and is perceived to represent the spending behaviour of Kenyan urban households. The prices are collected in the second and third weeks of the month of review in the selected retail outlets. This is in order to maintain consistency in the price variations.

The CPI increased by 0.96 percent from 292.57 points in September 2008 to 295.38 points in October 2008. Month-on-month overall inflation rate increased from 28.2 percent in September 2008 to 28.4 percent in October 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket decreased from 13.3 percent in September 2008 to 13.0 percent in October 2008.

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

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

Broad Item Group	% Weights	% Change on Previous month (Oct 08/Sep 08 )	% Change on Previous year (Oct 08/Oct 07)
Food & Non-alcoholic drink	50.50	1.4	37.6
Alcohol & Tobacco	2.97	0.6	16.0
Clothing & Footwear	9.00	0.2	5.9
Housing Costs	11.74	0.1	6.5
Fuel & Power	4.18	-1.4	28.8
Household Goods & Services	5.82	1.7	12.0
Medical Goods and Services	1.59	-0.3	13.6
Transport & Communication	5.75	0.1	18.9
Recreation & Education	6.02	-0.2	7.0
Personal Goods	2.45	0.8	9.8
<b>Average all Groups</b>	<b>100.00</b>	<b>1.0</b>	<b>28.4</b>

Food and non alcoholic drinks index, increased by 1.4 percent from 387.31 in September 2008 to 392.81 in October 2008 mainly due to increase in the prices of beans, wheat flour and English potatoes among other food items. The average price of a Kilogram of beans for instance, increased by 3.88 percent from KSh.71.15 in September to KSh. 73.90 in October 2008. Prices of wheat flour and English potatoes, similarly increased by 3.65 and 2.53 percents, respectively. These and other price increases outweighed notable falls in the prices of some food items like carrots (12.73 percent), tomatoes (2.08 percent) and Sukuma Wiki (1.35 percent).

The Fuel and power index decreased by 1.4 percent from 391.32 in September 2008 to 386.01 in October 2008. This was mainly due to decreases in the cost of paraffin, diesel and petrol. The average cost of paraffin decreased by 2.30 percent from KSh. 84.05 in September to KSh 82.11 percent in October 2008. Similarly, the prices of diesel, regular and super petrol decreased by 2.75, 2.49 and 4.58 percents respectively.

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

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
November-2007	233.28	1.4	
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
June-2008	290.75	-0.4	29.3
July-2008	286.62	-1.4	26.5
August-2008	288.06	0.5	27.6
September-2008	292.57	1.6	28.2
October-2008	295.38	1.0	28.4

Source: Kenya National Bureau of Statistics