

CPI AND INFLATION RATES FOR THE MONTH OF SEPTEMBER 2005

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of September 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) decreased by 0.5 per cent from 180.2 points in August 2005 to 179.4 points in September 2005. Month-on-month overall inflation rate declined from 6.9 per cent in August 2005 to 4.3 per cent in September 2005. During the same period, month-on-month underlying inflation rate which excludes food items from the CPI basket also decreased marginally from 6.7 per cent to 6.6 per cent.

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

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	2.8
Alcohol & Tobacco	0.8
Clothing & Footwear	0.5
Housing Costs	0.0
Fuel & Power	4.9
Household Goods & Services	0.6
Medical Goods and Services	0.4
Transport & Communication	0.9
Recreation & Education	0.2
Personal Goods	0.5

Food and non-alcoholic drink index decreased by 1.4 per cent in September 2005 compared to August 2005. This was mainly attributed to decline in prices of tomatoes, sugar, maize grain and maize flour. On average a kilogramme of sugar was retailing at Kshs 63 in September 2005 compared to Kshs 65 in August 2005.

Fuel and Power rose by 2.1 per cent in September compared with August due to increases in the prices of kerosene and electricity. The cost of 200 KWh of electricity was Kshs 1,648 in September 2005 compared to Kshs 1,534 in August 2005 a rise of 7.4 per cent.

Transport and Communication index increased by 3.1 per cent in September 2005 compared to August 2005 as a result of rise in the prices of petrol and public transport fares. On average, a litre of premium gasoline was selling at Kshs 74.19 in September 2005 compared to Kshs 72.39 in August 2005.

Table 2 shows percentage changes in indices of broad categories of items in the month of September 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	2.6
Alcohol & Tobacco	8.9
Clothing & Footwear	3.7
Housing Costs	6.0
Fuel & Power	14.6
Household Goods & Services	6.5
Medical Goods and Services	6.5
Transport & Communication	5.7
Recreation & Education	4.0
Personal Goods	3.2

Average All Groups

4.3

Fuel and Power index had the highest increase over the year as a result of rise in prices of cooking gas, paraffin and electricity. In September 2005, a litre of kerosene was retailing at an average price of Kshs 52.31 compared to Kshs 42.99 in September 2004 an increase of 21.7 per cent.

Source: Kenya National Bureau of Statistics