

Highlights of February 2025 Consumer Price Index (CPI)

Overall year-on-year (annual) inflation rate as measured by the Consumer Price Index (CPI) was 3.5 per cent, in February 2025; an increase from an inflation rate of 3.3 per cent recorded in January 2025. The month-to-month inflation rate was 0.3 per cent in February 2025.

The annual inflation was mainly due to an increase in prices of commodities under the following Classification of Individual Consumption by Purpose (COICOP) divisions:



Food and Non-Alcoholic Beverages Index **increased by 6.4 per cent** in the last 12 months (February 2024 - February 2025).

Transport Index **increased by 0.7 per cent** in the last 12 months.



Consumer Price Index (CPI) is a key macroeconomic indicator used to monitor price movements and how they affect policy decisions. It is defined as a measure of the weighted aggregate change in retail prices paid by consumers for a given basket of goods and services. The percentage change in the CPI over a given period is known as consumer price inflation, the most widely used measure of inflation. For example, if the base year CPI is 100 and the current CPI is 110, this implies an inflation rate of 10% over the period. CPI inflation can be calculated for various time frames, including monthly, quarterly, and annual periods. Year-on-year inflation is used mainly for economic decision making as current situation is compared to previous year situation, same period.

Inflation rate is defined as a percentage change of the CPI between two periods.

Collection of retail prices for the compilation of the CPI is usually conducted during the second and third weeks of every month. Prices of different commodities are collected from selected retail outlets located in 50 data collection zones. Out of the 50 data collection zones, 14 are located in Nairobi City County while 36 are located in other urban areas. Nairobi zones cover outlets in lower income, middle income and upper income areas.

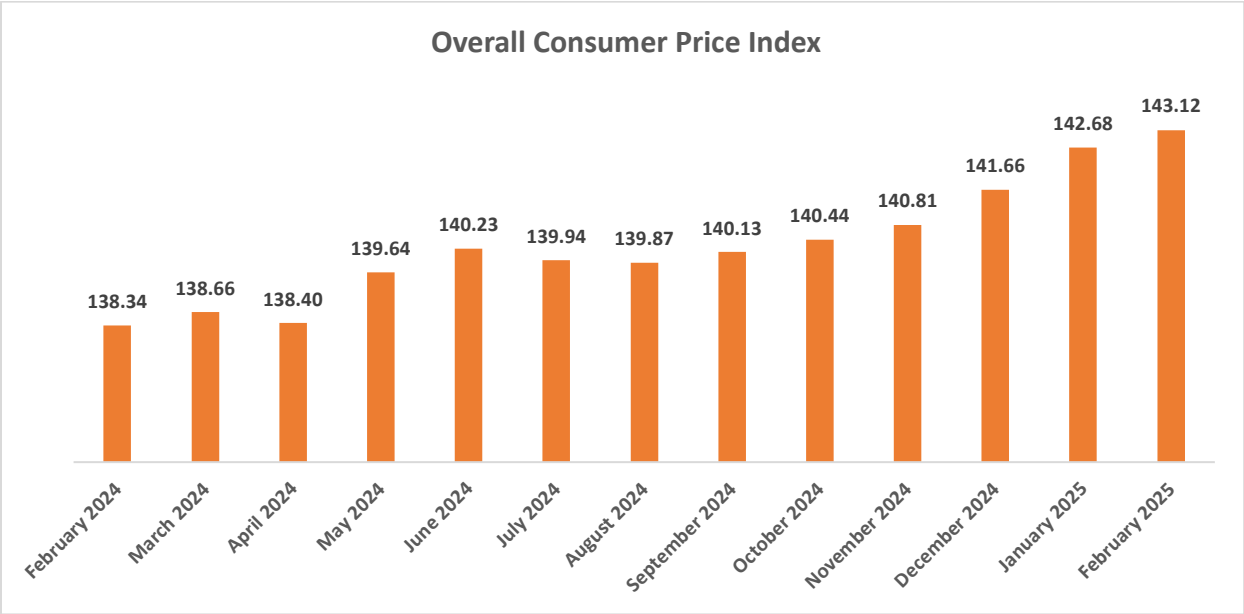


Figure 1: Overall Consumer Price Index, February 2024 – February 2025

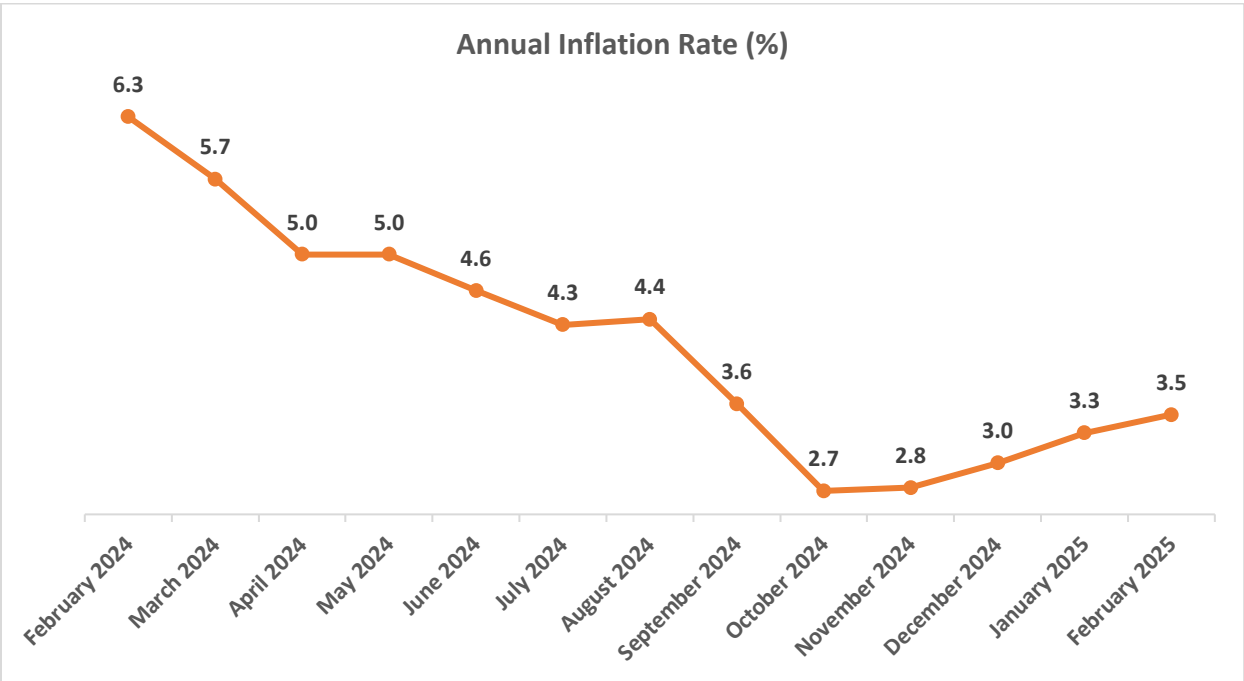


Figure 2: Annual Inflation Rate (%), February 2024 – February 2025

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