CPI AND INFLATION RATES FOR THE MONTH OF MARCH 2004

The Kenya CPI increased by 1.2 per cent from 154.6 points in February to 156.47 points in March 2004. However, during the same period, *month-on-month* overall inflation rate declined from 9.9 per cent to 8.3 per cent. The *month on month* underlying inflation rate increased from 4.5 per cent in February to 4.9 per cent in March 2004.

Table 1 shows percentage changes in overall (Kenya) indices in March 2004 compared to February 2004 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	1.6
Alcohol & Tobacco	0.5
Clothing & Footwear	0.4
Housing Costs	0.0
Fuel & Power	0.3
Household Goods & Services	0.2
Medical Goods and Services	-0.1
Transport & Communication	4.2
Recreation & Education	0.2
Personal Goods	0.2

Food and non-alcoholic drink index rose by 1.6 per cent in March 2004 compared to February 2004. This was mainly as a result of increase in the prices of tomatoes, maize grain, maize flour, dry beans and carrots. On average, a kilogram of dry maize was retailing at Kshs 19.58 in March 2004 compared with Kshs 17.52 the previous month a rise of 11.8 per cent.

Transport and Communications index rose by 4.2 per cent. This was partly due to increase in the price of petrol and diesel. The average price of diesel per litre was Kshs 45.6 in March compared with Kshs 44.6 in February. Public transport fares continued to increase in some routes and this also affected the transport index.

Source: Kenya National Bureau of Statistics