

CPI AND INFLATION RATES FOR THE MONTH OF SEPTEMBER 2006

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of September 2006, 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 1.6 per cent from 200.9 points in August 2006 to 204.2 points in September 2006. Month-on-month overall inflation rate accelerated from 11.5 per cent in August 2006 to 13.8 per cent in September 2006. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket declined from 6.0 per cent to 5.7 per cent.

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

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	2.4
Alcohol & Tobacco	1.1
Clothing & Footwear	0.1
Housing Costs	0.2
Fuel & Power	0.5
Household Goods & Services	0.6
Medical Goods and Services	0.7
Transport & Communication	1.8
Recreation & Education	0.0
Personal Goods	0.3

Food and non-alcoholic drink index rose by 2.4 per cent in September 2006 compared to August 2006. This was mainly attributed to increase in prices of mangoes, carrots, cabbages English potatoes and kale (Sukuma wiki). On average a kilogramme of carrots was retailing at Kshs 25.40 in September 2006 compared with Kshs 23.90 in August 2006 an increase of 6.0 per cent.

Alcohol and Tobacco index rose by 1.1 per cent in September 2006 compared with August 2006 due to increase in the price of miraa (Khat).

Public transport increased in September 2006 compared with August 2006 and this caused Transport and Communications index to rise by 1.8 per cent.

Table 2 shows percentage changes in indices of broad categories of items in the month of September 2006 compared to last year (September 2005).

Table 2: One Year Change in Price Indices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	20.0
Alcohol & Tobacco	9.2
Clothing & Footwear	3.1
Housing Costs	4.7

Fuel & Power	11.9
Household Goods & Services	3.8
Medical Goods and Services	3.3
Transport & Communication	8.5
Recreation & Education	2.2
Personal Goods	2.0
Average All Groups	13.8

Over the last twelve months, Food and Non-alcoholic drinks index had the highest increase of 20.0 per cent. On average, a kilogramme of green grams was selling at Kshs 72.80 in September 2006 compared with Kshs 54.67 in September 2005 an increase of 33.3 per cent. The average price of a litre of super gasoline was Kshs 83.46 in September 2006 compared with Kshs 74.18 in September 2005 a rise of 12.5 per cent.

Source: Kenya National Bureau of Statistics