CPI AND INFLATION RATES FOR THE MONTH OF FEBRUARY 2005

Consumer Price Index (CPI) increased by 1.0 per cent from 174.4 points in January 2004 to 176.1 points in February 2005. However, month-on-month overall inflation rate declined from 14.9 per cent in January 2004 to 13.9 per cent in February 2005. During the same period month-on-month underlying inflation rate which excludes food items from the CPI basket also declined from 9.9 per cent to 7.8 per cent.

Table 1 shows percentage changes in overall (Kenya) indices in February 2005 compared to January 2004 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	1.5
Alcohol & Tobacco	0.6
Clothing & Footwear	0.4
Housing Costs	0.2
Fuel & Power	0.3
Household Goods & Services	0.4
Medical Goods and Services	0.3
Transport & Communication	-0.1
Recreation & Education	0.2
Personal Goods	0.1

Food and non-alcoholic drink index rose by 1.5 per cent in February 2005 compared to January 2004, mainly as a result of increase in prices of tomatoes, Kales (sukuma wiki), Cabbages, sugar and Irish potatoes. On average, a kilogramme of tomatoes was retailing at Kshs. 41 in February 2005 compared with Kshs 38 in January 2005 a rise of 7.5 per cent.
Electricity cost rose due to an increase of fuel and forex adjustment costs and this caused Fuel and Power index to increase by 0.3 per cent compared to January 2005.

However, there was a marginal decline of Transport and Communication index as a result of lower prices of petrol and diesel in February 2005 compared to January 2005.

Most of the other commodities in the Consumer basket remained relatively stable compared with the previous month.

Source: Kenya National Bureau of Statistics