CPI AND INFLATION RATES FOR THE MONTH OF DECEMBER 2007

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of December 2007, 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 2.8 per cent from 233.28 points in November 2007 to 239.81 points in December 2007. Month-on-month overall inflation rate accelerated from 11.8 per cent in November 2007 to 12.0 per cent in December 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket increased from 5.8 per cent in November 2007 to 5.9 per cent in December 2007.

Table 1 shows percentage changes in indices of broad categories of items in the month of December 2007 compared to November 2007 (previous month) and the month of December 2007 compared to December 2006 (previous year).

Table 1: One Month and twelve months Change in Price Indices

Broad Item Group	% Change on Previous month (December 07/November 07)	% Change on Previous year (December 07/December 06)
Food & Non-alcoholic drink	4.1	15.5
Alcohol & Tobacco	0.7	11.6
Clothing & Footwear	0.5	3.1
Housing Costs	0.5	6.0
Fuel & Power	0.6	5.7
Household Goods & Services	0.4	5.5
Medical Goods and Services	0.0	3.9
Transport & Communication	1.1	9.5
Recreation & Education	0.1	3.3
Personal Goods	0.7	4.2
Average all Groups	**2.8**	**12.0**

Food and non-alcoholic drinks' index increased by 4.1 per cent in December 2007 compared to November 2007 as a result of increases in the price of English potatoes, onions, carrots, tomatoes and rice. On average, the price of a kilogram of English Potatoes increased by 9.3 percent from Ksh. 27.29 in November 2007 to Ksh. 29.83 in December 2007. A Kilogram of onions increased by 5.7 per cent from Ksh. 47.23 to Ksh. 49.91 while a kilogram of tomatoes increased by 4.2 per cent from Ksh. 36.96 to Ksh. 38.52.

The transport and communication index increased by 1.1 per cent in December 2007 compared to November 2007 due to increases in fares for buses plying outside town. On Average, Bus fares outside town increased by 3.0 per cent in December 2007 compared to November 2007.

Table 2 shows the CPI movement from January 2007 to December 2007. The CPI gives price movements of items in the basket of consumer goods and

services.

Table 2: Overall CPI –Base period: October 1997=100

Month	Overall CPI	% Change on Previous month	% Change on Previous Year (month in 2007 over same month in 2006)
January-2007	220.72		9.7
February-2007	223.59	1.3	6.8
March-2007	225.30	0.8	5.9
April -2007	222.61	-1.2	5.7
May -2007	221.83	-0.3	6.3
June -2007	224.93	1.4	11.1
July -2007	226.57	0.7	13.6
August-2007	225.79	-0.3	12.4
September-2007	228.16	1.1	11.7
October-2007	229.99	0.8	10.6
November-2007	233.28	1.4	11.8
December-2007	239.81	2.8	12.0

The CPI has increased from 220.72 points in January 2007 to 239.81 points in December 2007, a rise of 8.6 per cent.

Source: Kenya National Bureau of Statistics