CPI AND INFLATION RATES FOR AUGUST 2011

Kenya National Bureau of Statistics hereby releases the Consumer Price Indices (CPI) and inflation rates for August 2011. These numbers have been generated using data collected within the second and third weeks of the month under review. The prices were obtained from selected retail outlets in 25 data collection zones located in 13 urban centers.

As reflected in Table 1 and Table 2, the CPI increased by 1.25 per cent from 122.44 in July to 123.97 in August 2011. The overall inflation rate stood at 16.67 per cent in August 2011.

Table 1: One Month and Twelve Months' Changes in the Price Indices

Broad Commodity Group	CPI Weight	% Change on August 2011 / July 2011)	% Change on Previous Year (August 2011/ August 2010)
Food & Non-Alcoholic Beverages	36.04	1.78	23.86
Alcoholic Beverages, Tobacco & Narcotics	2.06	0.29	11.35
Clothing & Footwear	7.43	1.12	7.84
Housing, Water, Electricity, Gas and other Fuels	18.30	0.86	13.08
Furnishings, Household Equipment and Routine Household Maintenance	6.16	0.44	8.93
Health	3.13	0.98	8.50
Transport	8.66	0.96	24.31
Communication	3.82	0.00	-2.23
Recreation & Culture	2.25	0.15	7.80
Education	3.14	0.36	4.45
Restaurant & Hotels	4.48	2.32	17.54
Miscellaneous Goods & Services	4.52	1.04	8.33
Total	**100.00**	**1.25**	**16.67**

Table 2: Overall CPI and Inflation Rates

February 2009=100

Month	Overall CPI	Overall rate of Inflation
Aug-2010	106.25	3.22
Sep-2010	106.74	3.21
Oct-2010	106.97	3.18
Nov-2010	107.86	3.84
Dec-2010	109.38	4.51
Jan-2011	110.57	5.42
Feb-2011	112.05	6.54
Mar-2011	114.62	9.19
Apr-2011	118.29	12.05
May-2011	119.48	12.95
Jun-2011	120.91	14.49
Jul-2011	122.44	15.53
Aug - 2011	123.97	16.67

Food and Non Alcoholic drinks' index went up by 1.78 per cent between July and August 2011. Price increases were recorded in respect of sugar, tomatoes, beef, mangoes and rice among other food products. The average price of a kilogram of sugar, for instance rose by 26.74 per cent from KSh 122.38 in July to KSh 155.10 in August 2011. Likewise, over the same period, the average prices of tomatoes, beef, mangoes and rice went up by 16.99, 1.26, 11.45 and 3.04 per cent respectively. However, between the two months, there were notable falls of 11.82, 6.82, 6.32 and 5.91 per cent, respectively in the prices of sukuma wiki, maize flour, maize grains and potatoes among other food items.

Restaurants and Hotels' index increased by 2.32 per cent between July and August 2011 due to continued increases in the costs of café and takeaway, restaurants and hotel foods. For instance a meal of *Ugali Mboga* from an ordinary hotel which costed KSh 54.54 on average in August 2010, would retail at KSh 64.85 in July 2011 and at KSh 68.36 in August 2011.

Housing, Water, Electricity, Gas and Other fuels' index went up by 0.86 per cent during the review period. This was attributed to increased cost of electricity, house rents and cooking fuels. As a result of higher fuel and foreign exchange adjustment charges, the cost of consuming 50 units of electricity for example varied from KSh 657.5 in July to KSh. 695.5 in August 2011. Similarly, due to higher prices of petroleum products, the overall Transport index as well as the cost of kerosene went upwards by 0.96 and 3.08 per cent respectively.