CPI AND INFLATION RATES FOR THE MONTH OF MAY 2010

## GEOMETRIC CPI AND INFLATION RATES FOR THE MONTH OF MAY 2010

Kenya National Bureau of Statistics hereby releases the Consumer Price Indices (CPI) and inflation rates pertaining to the month of May 2010 (base period, February 2009). The numbers have been generated through data collected within the second and third weeks of the month from selected retail outlets in 25 data collection zones located in 13 urban centers.

As indicated in Tables 1 below, the CPI computed using the geometric mean approach increased by 0.2 percent points from 105.6 in April 2010 to 105.8 in May 2010. Month-on-month overall inflation rate, stood at 3.9 percent in May 2010.

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

| Broad Commodity Group | New CPI Weight | % Change on Previous Month (May 2010 / April 2010) | % Change on Previous Year (May 2010/ May 2009) |
|---|---|---|---|
| Food & Non-Alcoholic Beverages | 36.04 | 0.4 | 4.4 |
| Alcoholic Beverages, Tobacco & Narcotics | 2.06 | 0.3 | 7.1 |
| Clothing & Footwear | 7.43 | 0.3 | 3.4 |
| Housing, Water, Electricity, Gas and other Fuels | 18.3 | -0.6 | 3.4 |
| Furnishings, Household Equipment and Routine Household Maintenance | 6.16 | 0.3 | 3 |
| Health | 3.13 | 0.1 | 4.2 |
| Transport | 8.66 | 0.9 | 6 |
| Communication | 3.82 | -0.7 | -0.2 |
| Recreation & Culture | 2.25 | 0.5 | 1 |
| Education | 3.14 | 0.3 | 1.4 |
| Restaurant & Hotels | 4.48 | 0 | 3 |
| Miscellaneous Goods & Services | 4.52 | 0 | 2.2 |
| **Total** | **100** | **0.2** | **3.9** |

During the month under review, there were both notable rises and declines in the prices of various items. The average price of a Kilogram of tomatoes for instance increased from KSh 86.79 in April 2010 to KSh. 94.55 in May 2010 while that of a 2kg packet of maize flour fell from KSh. 77.53 in April 2010 to KSh 75.63 in May 2010. In particular, the weighted prices of tomatoes, sukuma wiki, onions and irish potatoes rose by 8.95, 4.88, 7.20 and 3.28 percent, respectively. On the other hand, prices of maize flour, milk and oranges fell by 2.46, 0.74 and 3.02 percent, respectively. The net effect however was a rise on the Food and Non Alcoholic Beverages index which accounts for 36.04 percent of all CPI weight by 0.4 percent

from 107.6 points in April 2010 to 108.1 points in May 2010.

However, during the same period, Housing, Water, Electricity, Gas and other Fuels Index; dropped by 0.6 percent mainly as a result of fall in the price of electricity. The average total cost of consuming 50 Kilowatt hours of electricity fell from KSh 613.38 in April 2010 to KSh 510.88 in May 2010. This drop in electricity prices was caused by significant drops in the Fuel cost and foreign exchange adjustment levies.

**Table 2: Overall Geometric CPI and Inflation Rates**

February 2009=100

| Month | Geometric Overall CPI | Geometric Overall Inflation |
|---|---|---|
| June-2009 | 102.1 | |
| July-2009 | 102.3 | |
| August-2009 | 102.9 | |
| Sept-2009 | 103.4 | |
| October-2009 | 103.7 | |
| November-2009 | 103.9 | |
| December-2009 | 104.7 | |
| January-2010 | 104.9 | |
| February-2010 | 105.2 | 5.2 |
| Mar-2010 | 105.5 | 4.5 |
| Apr-10 | 105.6 | 3.7 |
| May-10 | 105.8 | 3.9 |