

CPI AND INFLATION RATES FOR THE MONTH OF JUNE 2005

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of June 2005, 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) decreased by 1.1 per cent from 184.5 points in May 2005 to 182.5 points in June 2005. The month-on-month overall inflation rate declined from 14.8 per cent in May 2005 to 11.9 per cent in June 2005. During the same period, month-on-month underlying inflation rate which excludes food items from the CPI basket also dropped from 8.6 per cent to 8.2 per cent.

Table 1 shows percentage changes in indices of broad categories in June 2005 compared to May 2005 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	-2.3
Alcohol & Tobacco	5.8
Clothing & Footwear	0.0
Housing Costs	-0.1
Fuel & Power	1.8
Household Goods & Services	0.3
Medical Goods and Services	1.5
Transport & Communication	0.1
Recreation & Education	0.1
Personal Goods	0.2

Food and non-alcoholic drink index decreased by 2.3 per cent in June 2005 compared to May 2005. This was mainly attributed to decline in prices of English potatoes and vegetables such as tomatoes, Kale (Sukuma wiki), cabbages and onions. On average, a kilogramme of English potatoes was retailing at Kshs 21.90 in June 2005 compared to Kshs 25.60 in May 2005 a decline of 14.4 per cent.

Alcohol and Tobacco index rose by 5.8 per cent in June 2005 compared to May 2005 due to recent price increases of cigarettes and beer.

Electricity costs and kerosene increased in June 2005 compared to May 2005 and this caused Fuel and Power index to rise by 1.8 per cent. For instance, 200 Kwh units of electricity was Kshs 1,589.8 in June 2005 compared with Kshs 1,473.8 in May 2005 an increase of 7.9 per cent due to rise in fuel and forex adjustment costs.

Medical Goods and services index rose by 1.5 per cent in June 2005 compared to May 2005 as a result of rise in prices of some selected drugs.

Source: Kenya National Bureau of Statistics