CPI AND INFLATION RATES FOR DECEMBER 2011

Kenya National Bureau of Statistics hereby releases Consumer Price Indices (CPI) and rates of inflation for December 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 0.74 per cent from 129.13 in November to 130.09 in December 2011. The overall inflation rate stood at 18.93 per cent in December 2011.

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

Broad Commodity Group	CPI Weight	% Change on December 2011 /November 2011)	% Change on Previous Year (December 2011/ December 2010)
Food & Non-Alcoholic Beverages	36.04	0.78	24.98
Alcoholic Beverages, Tobacco & Narcotics	2.06	0.19	13.12
Clothing & Footwear	7.43	1.46	11.49
Housing, Water, Electricity, Gas and other Fuels	18.30	0.62	16.68
Furnishings, Household Equipment and Routine Household Maintenance	6.16	0.48	13.52
Health	3.13	0.35	6.70
Transport	8.66	1.45	25.55
Communication	3.82	0.03	4.88
Recreation & Culture	2.25	0.33	11.35
Education	3.14	0.02	4.70
Restaurant & Hotels	4.48	0.25	19.86
Miscellaneous Goods & Services	4.52	1.07	11.85
Total	**100.00**	**0.74**	**18.93**

Table2: Overall CPI and Inflation Rates February 2009=100

Month	Overall CPI	Overall Rate of Inflation
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
Sep-2011	125.23	17.32
Oct-2011	127.20	18.91
Nov-2011	129.13	19.72
Dec - 2011	130.09	18.93

Food and Non Alcoholic drinks' index went up by 0.78 per cent between November and December 2011, being a net effect of both increases and falls in the prices of a number of food products. For instance, the prices of beef with bones, bread, tomatoes, onions and chicken went up by 2.77, 1.82, 2.30, 4.54 and 3.14 per cent, respectively, between the two months. On the other hand, the prices of sugar, mangoes, maize flour, maize grain and rice went down by 3.44, 7.11, 1.34, 1.97 and 1.23 per cent, respectively, over the same period.

Housing, Water, Electricity, Gas and Other fuels' index went up by 0.62 per cent between November and December 2011. Like in the case of the food index, this small increase was also a net effect of both rises and falls in the prices of products categorized in this division. As in the previous months, the cost of several house rents and cooking fuels including charcoal, firewood, and gas continued to increase. However, Electricity and kerosene costs decreased by 9.90 and 4.32 per cent, respectively, during the same period. Indeed, as a result of reduced fuel and forex adjustment charges, the cost of consuming 50 units of electricity for example went down from KSh 819 in November to KSh 736 in December 2011.

The Transport index likewise, increased by 1.45 per cent between November and December 2011 as a result of rises in matatu, bus and taxi fares despite decreases in the cost of petrol and diesel.