CPI AND INFLATION RATES FOR THE MONTH OF MAY 2004

Overall Kenya CPI increased by 1.7 per cent from 158.12 points in April to 160.73 points in May 2004. In May 2004, month-on-month overall inflation rate was 4.7 per cent while month-on-month underlying inflation rate stood at 4.5 per cent.

Table 1 shows percentage changes in overall (Kenya) indices in May 2004 compared to April 2004 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	2.8
Alcohol & Tobacco	0.2
Clothing & Footwear	-0.4
Housing Costs	-0.2
Fuel & Power	2.6
Household Goods & Services	0.6
Medical Goods and Services	0.0
Transport & Communication	-0.7
Recreation & Education	0.0
Personal Goods	0.0

Food and non-alcoholic drink index rose by 2.8 per cent in May 2004 compared to April 2004. This was mainly as a result of increase in the price of tomatoes, cabbages, onions and dry beans. On average, a kilogram of tomatoes was retailing at Kshs 45 in May 2004 compared to Kshs 38 in April 2004 a rise of 17 per cent.

Despite a substantial increase in the price of petrol and diesel, Transport and Communication index declined in May 2004 due to reduction of public transport fares in some routes across the country. However, between May 2003 and May 2004, Transport and Communication index has gone up by 21.2 per cent compared to a rise of 7.8 per cent between May 2002 and May 2003.

Fuel and Power index rose by 2.6 per cent in May 2004 compared to April 2004 due to increases in the price of charcoal and kerosene. A litre of kerosene increased by 4.5 per cent from Kshs. 36.53 in April 2004 to Kshs. 38.19 in May 2004.

Medical goods and services index increased by 1.0 per cent in April 2005 compared with March 2005 as a result of rise in the prices of selected drugs.

During the month under review, prices of petrol and diesel went up compared to previous month and this caused the Transport and Communication index to increase by 0.9 per cent.

Source: Kenya National Bureau of Statistics