INFLATION RATES FOR THE MONTH OF AUGUST 2010

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

As indicated in Table 1 below, the CPI increased by 0.3 percent from 106.0 in July 2010 to 106.3 in August 2010. Month-on-month overall inflation rate, stood at 3.2 percent in August 2010.

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

Broad Commodity Group	New CPI Weight	% Change on Previous Month (August 2010 / July 2010)	% Change on Previous Year (August 2010/ August 2009)
Food & Non-Alcoholic Beverages	36.04	1.9	5.5
Alcoholic Beverages, Tobacco & Narcotics	2.06	0.9	7.7
Clothing & Footwear	7.43	0.8	3.4
Housing, Water, Electricity, Gas and other Fuels	18.3	0.4	2.1
Furnishings, Household Equipment and Routine Household Maintenance	6.16	0.6	3.9
Health	3.13	0.3	3.8
Transport	8.66	0.4	4.8
Communication	3.82	-23.5	-24.1
Recreation & Culture	2.25	0.2	1
Education	3.14	0	1.6
Restaurant & Hotels	4.48	0.9	3.1
Miscellaneous Goods & Services	4.52	0.6	2
Total	**100**	**0.3**	**3.2**

The Food and Non Alcoholic drinks' index went up by 1.9 percent between the months of July and August 2010. This was attributed to the aggregate rise in the prices of a number of food items outweighing falls in the prices of others. Some of the food products which recorded price increases include: milk, sugar, potatoes and wheat flour which rose by 3.4, 2.5, 5.7 and 5.4 percent, respectively. For example, a 2 kg packet of wheat flour was retailing at an average price of KSh. 105.66 in August 2010 compared to KSh. 99.98 in July 2010. On the other hand there were significant falls in the prices of maize flour and maize grain which fell by 3.8 and 2.5 percent, respectively.

During the same period, the Communications' index declined by 23.5 percent on account of significant falls in the cost of airtime in addition to continued decline in the cost of handsets. The average cost of airtime per minute dropped by more than 50 percent for customers procuring the services from major cell phone operators.

Table 2: Overall Geometric CPI and Inflation Rates

February 2009=100

Month	Geometric Overall CPI	Geometric Overall Inflation
Sep-09	103.4	
Oct-09	103.7	
Nov-09	103.9	
Dec-09	104.7	
Jan-10	104.9	
Feb-10	105.2	5.2
Mar-10	105.5	4.5
Apr-10	105.6	3.7
May-10	105.8	3.9
Jun-10	105.6	3.5
Jul-10	106	3.6
Aug-10	106.3	3.2