

CPI AND INFLATION RATES FOR THE MONTH OF DECEMBER 2006

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of December 2006, 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) increased by 2.6 per cent from 208.6 points in November 2006 to 214.1 points in December 2006. Month-on-month overall inflation rate accelerated from 14.6 per cent in November 2006 to 15.6 per cent in December 2006. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket remained at 5.9 per cent in December as was in November 2006.

Table 1 shows percentage changes in indices of broad categories of items in the month of December 2006 compared to November 2006 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	4.0
Alcohol & Tobacco	-1.4
Clothing & Footwear	0.5
Housing Costs	1.3
Fuel & Power	0.7
Household Goods & Services	0.5
Medical Goods and Services	0.0
Transport & Communication	0.3
Recreation & Education	0.0
Personal Goods	0.4

Food and non-alcoholic drink index rose by 4.0 per cent in December 2006 compared to November 2006. This was mainly attributed to rise in prices of sugar, tomatoes, onions, wheat flour and a loaf of bread. On average, a kilogramme of sugar was retailing at Kshs 91.00 in December 2006 compared with Kshs 72.13 in November 2006 an increase of 26.1 per cent.

The prices of Miraa (Khat) dropped in December 2006 compared with November 2006 and this caused Alcohol and Tobacco index to decline by 1.4 per cent.

Fuel and Power index increased by 0.7 per in December 2006 compared with November 2006 due to rise in the prices of Charcoal.

Table 2 shows percentage changes in indices of broad categories of items in the month of December 2006 compared to last year (December 2005).

Table 2: One Year Change in Price Indices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	22.6
Alcohol & Tobacco	7.0
Clothing & Footwear	3.0
Housing Costs	6.0

Fuel & Power	13.5
Household Goods & Services	4.7
Medical Goods and Services	3.1
Transport & Communication	6.5
Recreation & Education	2.1
Personal Goods	2.0
Average All Groups	15.6

Over the last twelve months, Food and Non-alcoholic drinks index had the highest increase of 22.6 per cent followed by Fuel and Power at 13.5 per cent.

Source: Kenya National Bureau of Statistics