

CPI AND INFLATION RATES FOR THE MONTH OF JANUARY 2007

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of January 2007, 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 3.1 per cent from 214.1 points in December 2006 to 220.7 points in January 2007. Month-on-month overall inflation rate decelerated from 15.6 per cent in December 2006 to 9.7 per cent in January 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket increased to 6.4 per cent in January 2007 from 5.9 per cent in December 2006.

Table 1 shows percentage changes in indices of broad categories of items in the month of January 2007 compared to December 2006 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	4.5
Alcohol & Tobacco	0.7
Clothing & Footwear	0.2
Housing Costs	1.6
Fuel & Power	0.0
Household Goods & Services	0.8
Medical Goods and Services	1.6
Transport & Communication	0.1
Recreation & Education	2.3
Personal Goods	0.3

Food and non-alcoholic drink index rose by 4.5 per cent in January 2007 compared to December 2006. This was mainly attributed to rise in prices of tomatoes, onions, sukuma wiki and carrots. On average, a kilogramme of tomatoes was retailing at KShs 58.66 in January 2007 compared with KShs 43.66 in December 2006 an increase of 34.4 per cent, while a kilogramme of onions increased by 19.2 per cent to KShs 55.79 in January 2007 from KShs 46.82 in December 2006.

The prices of Miraa (Khat) increased in January 2007 compared with December 2006 and this led to a 0.7 per cent increase in Alcohol and Tobacco index.

Recreation and Education index increased by 2.3 per cent in January 2007 compared with December 2006 due to rise in the prices of school books and tuition fees.

Table 2 shows percentage changes in indices of broad categories of items in the month of January 2007 compared to last year (January 2006).

Table 2: One Year Change in Price Indices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	11.8
Alcohol & Tobacco	6.0
Clothing & Footwear	3.4

Housing Costs	7.3
Fuel & Power	12.8
Household Goods & Services	5.1
Medical Goods and Services	4.9
Transport & Communication	6.5
Recreation & Education	3.6
Personal Goods	2.6
Average All Groups	9.7

Over the last twelve months, Fuel and Power index had the highest increase of 12.8 per cent followed by Food and Non-alcoholic drinks at 11.8 per cent .

Source: Kenya National Bureau of Statistics