

CPI AND INFLATION RATES FOR THE MONTH OF MARCH 2005

The Central Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of March 2005, 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 the Kenyan urban households. The price data is collected in the second and third week of the month in the selected retail outlets.

Consumer Price Index (CPI) increased by 1.4 per cent from 176.1 points in February 2005 to 178.6 points in March 2005. The month-on-month overall inflation rate rose from 13.9 per cent in February 2005 to 14.1 per cent in March 2005. However, during the same period month-on-month underlying inflation rate which excludes food items from the CPI basket declined from 7.8 per cent to 7.3 per cent.

Table 1 shows percentage changes in overall (Kenya) indices in March 2005 compared to February 2005 (previous month).

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	2.3
Alcohol & Tobacco	0.1
Clothing & Footwear	0.2
Housing Costs	0.1
Fuel & Power	0.5
Household Goods & Services	0.6
Medical Goods and Services	0.0
Transport & Communication	-0.1
Recreation & Education	0.5
Personal Goods	0.3

Food and non-alcoholic drink index rose by 2.3 per cent in March 2005 compared to February 2005, mainly as a result of increases in prices of tomatoes, kales, potatoes, milk, cabbages and sugar. These price increases in most of food items were mainly attributed to drought. Sugar prices on the other hand rose on account of closures of some factories undergoing routine maintenance. On average, a kilogramme of sugar was retailing at Kshs 61.20 in March 2005 compared with Kshs 56.80 in February 2005 an increase of 7.7 per cent.

Fuel and Power index rose by 0.5 per cent as a result of increase in the prices of cooking gas and electricity.

In March 2005 the prices of petrol and diesel were lower compared to February 2005 and this caused Transport and Communication index to decline by 0.1 per cent.

Source: Kenya National Bureau of Statistics