CPI AND INFLATION RATES FOR THE MONTH OF FEBRUARY 2010

Kenya National Bureau of Statistics hereby releases the new geometric Consumer Price Indices (CPI) and inflation rates pertaining to the month of February 2010 with base period as February 2009. These new indices are based on baskets of goods and services derived from findings of the 2005/06 Kenya Integrated Household Budget Survey (KIHBS). 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 zones countrywide.

As indicated in Tables 1 below, all commodities whose retail prices were used to compile the new Indices were classified into 12 instead of the previous 10 broad groups. The CPI computed using the geometric mean approach and the new baskets increased by 0.3 percent from 104.9 points in January 2010 to 105.2 points in February 2010. Month-on-month overall inflation rate, stood at 5.2 percent in February 2010.

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

Broad Commodity Group	New CPI Weight	% Change on Previous Month (February 2010 / January 2010)	% Change on Previous Year (February 2010/ February 2009)
Food & Non-Alcoholic Beverages	36.04	0.6	7.2
Alcoholic Beverages, Tobacco & Narcotics	2.06	0.2	9.7
Clothing & Footwear	7.43	0.0	4.0
Housing, Water, Electricity, Gas and other Fuels	18.30	0.0	4.7
Furnishings, Household Equipment and Routine Household Maintenance	6.16	0.0	2.6
Health	3.13	0.0	4.6
Transport	8.66	0.0	5.9
Communication	3.82	0.9	-0.1
Recreation & Culture	2.25	0.0	1.3
Education	3.14	0.1	0.9
Restaurant & Hotels	4.48	0.0	4.9
Miscellaneous Goods & Services	4.52	0.0	3.1
Total	**100.00**	**0.3**	**5.2**

Food and non alcoholic drinks' index which accounts for 36.04 percent of all weight in the new CPI went up by 0.6 percent from 106.6 points in January 2010 to 107.3 points in February 2010. This is as a result of rises in prices of some food commodities slightly outweighing falls in others. Prices of Tomatoes, Rice, Cabbages and Pawpaw's rose by 12.8, 2.9, 5.2 and 4.0 percent, while those of Milk, Maize grain, and Potatoes fell by 3.8, 5.6 and 7.3 percent, respectively. The average price of a Kilogram of Tomatoes for instance increased from KSh 53.60 in January 2010 to KSh. 60.50 in February 2010 while that of Potatoes fell from KSh. 40.16 in January 2010 to KSh 37.23 in February 2010.

During the same review period, the Indices for Transport, Housing, Water, Electricity, Gas and other Fuels remained almost constant as a result of significant falls in the prices of Electricity and *Boda Boda* fares among other non-food items. The average price of Electricity fell by 10.2 percent while that of *Boda Boda* fares went down by 5.9 percent between the months of January and February 2010

Table 2: Overall Geometric new CPI and Inflation

Month	Geometric Overall CPI	Geometric Overall Inflation
February-2009	100.0	
March-2009	101.0	
April-2009	101.8	
May-2009	101.8	
June-2009	102.1	
July-2009	102.3	
August-2009	102.9	
Sept-2009	103.4	
October-2009	103.7	
November-2009	103.9	
December-2009	104.7	
January-2010	104.9	
February-2010	105.2	5.2

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