CPI AND INFLATION RATES FOR THE MONTH OF JANUARY 2010

Kenya National Bureau of Statistics is pleased to present the geometric Consumer Price Indices (CPI) and inflation rates pertaining to the month of January 2010 with base period as October 2005. The numbers have been generated through data collected within the second and third weeks of the month of review from selected retail outlets in 13 urban centers.

As indicated in Tables 1 and 2, the CPI computed using the geometric mean approach increased by 0.1 percent from 141.9 points in December 2009 to 142.0 points in January 2010. Month-on-month overall inflation rate stood at 4.7 percent in January 2010 compared to 5.3 percent in December 2009.

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

Broad Item Group	% Change on Previous Month (January 2010 / December 09)	% Change on Previous Year (January 2010/January 2009)
Food & Non-alcoholic drinks	-0.7	4.1
Alcohol & Tobacco	2.9	14.6
Clothing & Footwear	1.5	6.8
Housing Costs	1.0	5.3
Fuel & Power	2.0	5.1
Household Goods & Services	0.3	1.2
Medical Goods and Services	0.8	6.8
Transport & Communication	1.4	5.2
Recreation & Education	1.3	4.2
Personal Goods	0.2	5.9
Average all Groups	0.1	4.7

Food and non alcoholic drinks' index which accounts for 50.5 percent of all the weight went down by 0.7 percent from 157.96 points in December 2009 to 156.82 points in January 2010. This came about as a result of falls in some food prices slightly outweighing the rises in other food commodities. The prices of Maize flour, Maize grain, onions, sugar and cabbages fell by 3.64, 6.09, 12.51, 2.11 and 7.20 percent, respectively, while those of tea leaves, beef with bones, fresh milk, fresh fish and eggs went up by 30.57, 1.81, 1.23, 5.48 and 5.76 percent, respectively. The average price of a two kilogram packet of maize flour for instance declined from KSh 87.24 in December 2009 to KSh. 84.07 in January 2010 while that of maize grains similarly fell from KSh. 35.69 in December 2009 to KSh 33.52 in January 2010.

During the same review period, fuel and power and the transport and communication indices increased by 2.0 and 1.4 percent, respectively. This rises can be attributed to increases in the prices of paraffin, petrol, charcoal and matatu/bus fares by 4.26, 4.15, 1.96, and 2.65 percent, respectively. There was also a general rise in the prices of both bottled and traditional beer among other non food expenditure.

Table 2: Overall Geometric CPI and Inflation

Month	Geometric Overall CPI	Geometric Overall Inflation
February-2009	139.0	14.6

March-2009	140.5	14.6
April-2009	141.9	12.4
May-2009	141.2	9.6
June-2009	140.2	8.6
July-2009	139.8	8.4
August-2009	139.9	7.3
Sept-2009	140.5	6.7
October-2009	141.2	6.6
November-2009	141.5	5.0
December-2009	141.9	5.3

Source: Kenya National Bureau of Statistics