

CPI AND INFLATION RATES FOR THE MONTH OF JUNE 2007

The Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of June 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 1.4 per cent from 221.8 points in May 2007 to 224.9 points in June 2007. Month-on-month overall inflation rate accelerated from 6.3 per cent in May 2007 to 11.1 per cent in June 2007. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket declined from 5.7 per cent in May 2007 to 5.2 per cent in June 2007.

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

Table 1: One Month Change in Prices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	1.8
Alcohol & Tobacco	5.1
Clothing & Footwear	0.5
Housing Costs	0.0
Fuel & Power	1.0
Household Goods & Services	0.9
Medical Goods and Services	1.2
Transport & Communication	0.5
Recreation & Education	0.1
Personal Goods	0.8

Food and non-alcoholic drink index rose by 1.8 per cent in June 2007 compared to May 2007 mainly due to increase in prices of cooking fat, cabbages, sugar, wheat flour and English potatoes. On average, a kilogramme of cabbages was selling at Kshs 19.30 in June 2007 compared to Kshs 18.50 in May 2007 a rise of 4.4 per cent .

Alcohol and Tobacco index increased by 5.1 per cent in June compared to May due to the recent rise in the prices of beer and cigarettes.

The increase in the cost of electricity and charcoal caused Fuel and Power index to rise by 1.0 per cent in June 2007 compared with May 2007 .

Household Goods and Services index rose in June compared to May due to increase in the price of household soap.

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

Table 3: One Year Change in Price Indices

Broad Item Group	% Change on Previous month
Food and Non-Alcoholic Drink	15.0
Alcohol & Tobacco	8.0
Clothing & Footwear	3.3
Housing Costs	5.8
Fuel & Power	8.5
Household Goods & Services	5.9
Medical Goods and Services	4.7
Transport & Communication	3.1
Recreation & Education	3.1
Personal Goods	3.6
Average All Groups	11.1

Over the last twelve months, Food and Non-alcoholic drinks had the highest increase of 15.0 per cent. For instance, in June 2007 the average price of cooking fat (500 Grams) was Kshs 70.30 compared to Kshs 56 in June 2006 an increase of 25.5 per cent. The average price of a two kilogramme packet of wheat flour was Kshs 85.34 in June 2007 compared to Kshs 72.14 in June 2006 .

Source: Kenya National Bureau of Statistics