CPI AND INFLATION RATES FOR THE MONTH OF AUGUST 2008

Kenya National Bureau of Statistics is pleased to release the Consumer Price Indices (CPI) and inflation rates for the month of August 2008, for your information and use. This data is generated through monthly data collection from retail outlets in 13 urban centers in Kenya and is perceived to be representative of the spending behaviour of Kenyan urban households. The prices are collected in the second and third weeks of the month of review in the selected retail outlets. This is in order to maintain consistency in the price variations.

The CPI increased by 0.50 percent from 286.62 points in July 2008 to 288.06 points in August 2008. Month-on-month overall inflation rate increased from 26.5 percent in July 2008 to 27.6 percent in August 2008. On the other hand, month-on-month *underlying* inflation rate which *excludes food items* from the CPI basket increased from 12.2 percent in July 2008 to 13.1 percent in August 2008.

Table 1 shows Weights and the percentage changes in the indices of broad categories of items in the month of August 2008 compared to July 2008 (previous month) and the month of August 2008 compared to August 2007 (previous year).

Table 1: One Month and twelve months Change in Price Indices

Broad Item Group	% Weights	% Change on Previous month (August 08/July 08)	% Change on Previous year (Aug 08/Aug 07)
Food & Non-alcoholic drink	50.50	0.1	36.4
Alcohol & Tobacco	2.97	1.0	16.3
Clothing & Footwear	9.00	0.6	6.0
Housing Costs	11.74	0.4	5.9
Fuel & Power	4.18	3.6	30.8
Household Goods & Services	5.82	1.4	10.3
Medical Goods and Services	1.59	1.2	12.5
Transport & Communication	5.75	0.9	19.7
Recreation & Education	6.02	0.3	7.4
Personal Goods	2.45	1.3	8.6
Average all Groups	100.00	**0.5**	**27.6**

Food and non alcoholic drinks index, increased by 0.1 percent from 379.30 in July 2008 to 379.84 in August 2008 mainly due to increase in the prices of Maize flour, rice and sugar among other food items. The average price of a two Kilogram packet of Sifted maize flour for instance, increased by 10.41 percent from KSh. 70.29 in July 2008 to KSh. 77.61 in August 2008. Similarly the prices of rice grade two and sugar, increased by 4.18 and 3.06 percents respectively.

Fuel and power index increased by 3.6 percent from 375.84 in July 2008 to 389.50 in August 2008 mainly due to increase in the prices of electricity and continued increase in the prices of petroleum products. The cost of a litre of paraffin increased by 5.54 percent from KSh. 80.12 in July 2008 to KSh. 84.56 in August 2008. The average costs of Diesel, petrol and engine oil similarly increased by 3.54, 2.71 and 2.64 percentages respectively.

Table 2: Overall CPI movement from September 2007 to August 2008: (October 1997=100)

Month	Overall CPI	% Change on Previous month	% Change over the same month one year ago
September-2007	228.16	1.1	
October-2007	229.99	0.8	10.6
November-2007	233.28	1.4	11.8
December-2007	239.81	2.8	12.0
January-2008	260.94	8.8	18.2
February-2008	266.37	2.1	19.1
March-2008	274.55	3.1	21.8
April-2008	281.88	2.7	26.6
May-2008	291.79	3.5	31.5
June-2008	290.75	-0.4	29.3
July-2008	286.62	-1.4	26.5
August-2008	288.06	0.5	27.6

Source: Kenya National Bureau of Statistics