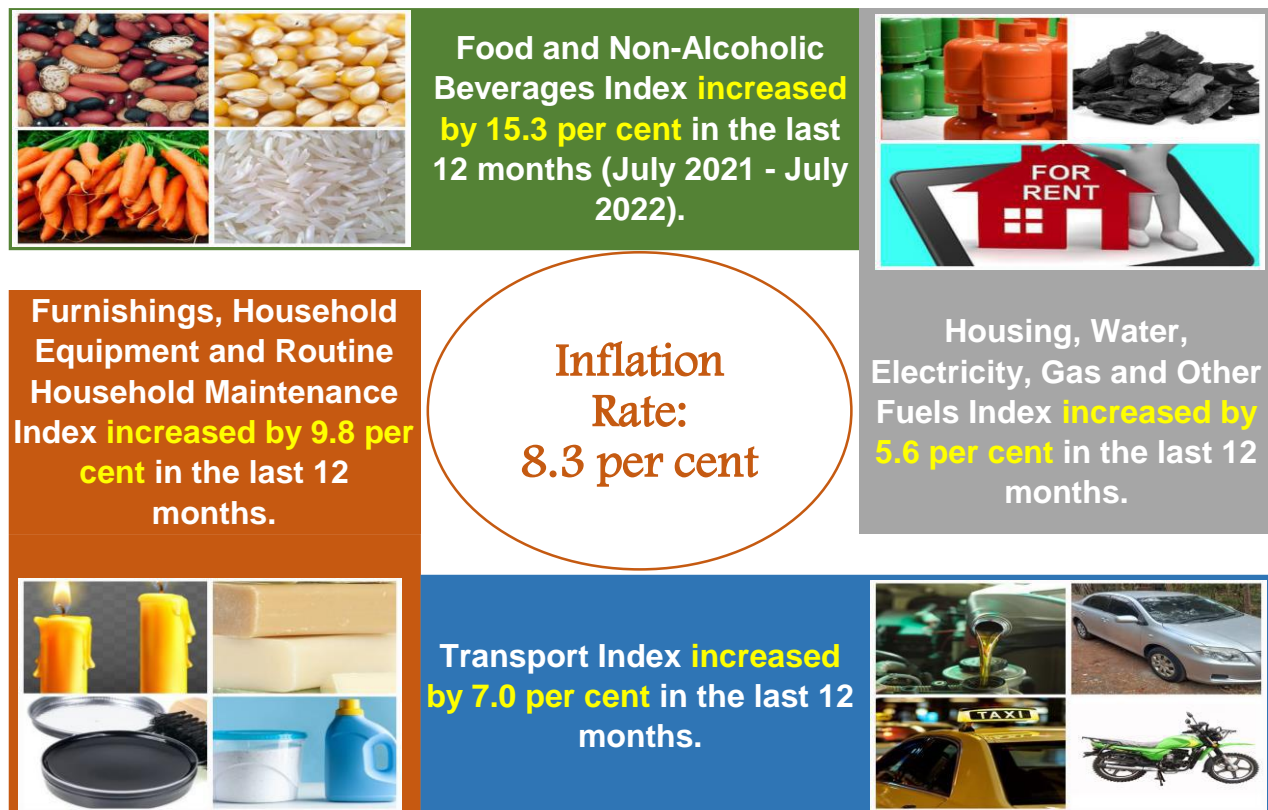


Highlights of July 2022 Consumer Price Index (CPI)

Overall year-on-year (annual) inflation rate as measured by the Consumer Price Index (CPI) was 8.3 per cent, in July 2022; an increase of from an inflation rate of 7.9 per cent recorded in June 2022. Monthly inflation rate for July 2022 was 0.7 per cent.

The rise in annual inflation was mainly due to an increase in prices of commodities under the following Classification of Individual Consumption by Purpose (COICOP) divisions;



Consumer Price Index (CPI) is a key macroeconomic indicator used to monitor price movements and how they affect policy decisions. It is defined as a measure of the weighted aggregate change in retail prices paid by consumers for a given basket of goods and services. Year-on-year inflation is the one used mainly for economic decision making as current situation is compared to last year situation, same period. **Inflation rate** is defined as a percentage change of the CPI between two periods; such as monthly or 12-months inflation.

Collection of retail prices for the compilation of the CPI is usually conducted during the second and third weeks of every month, where prices of different commodities are collected from selected retail outlets located in 50 data collection zones. Out of 50 data collection zones, 14 are located in Nairobi City County while 36 are located in other urban areas. Nairobi zones cover outlets in lower income, middle income and upper income areas.

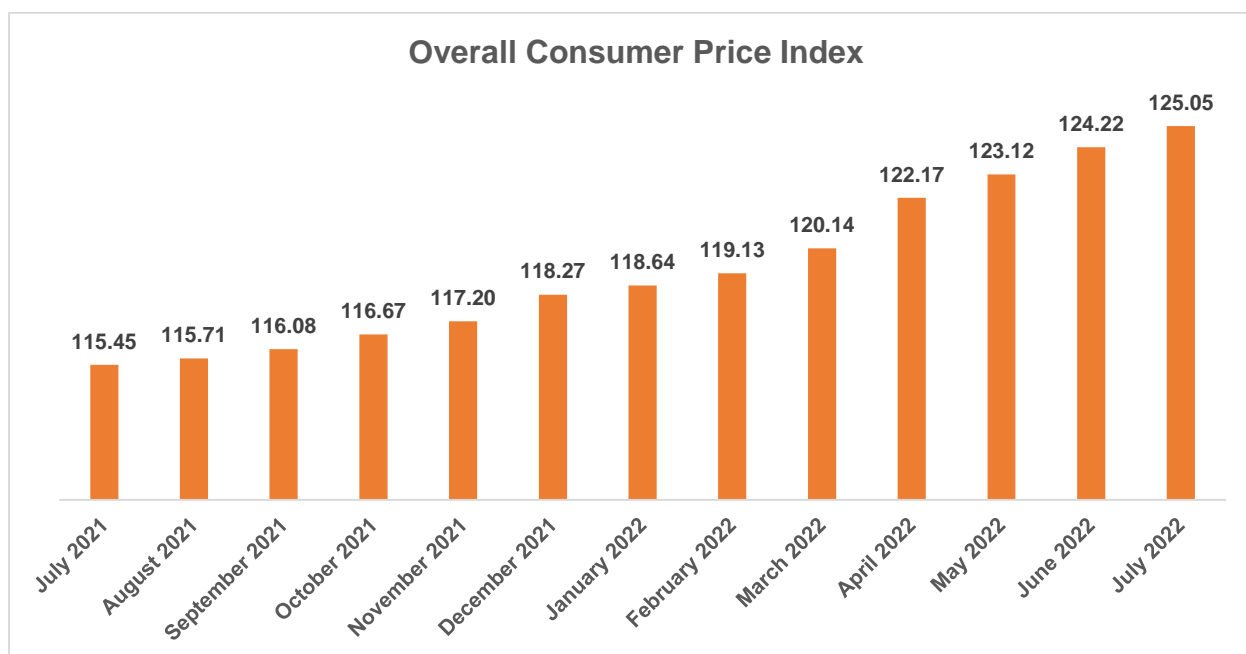


Figure 1: Overall Consumer Price Index, July 2021 – July 2022

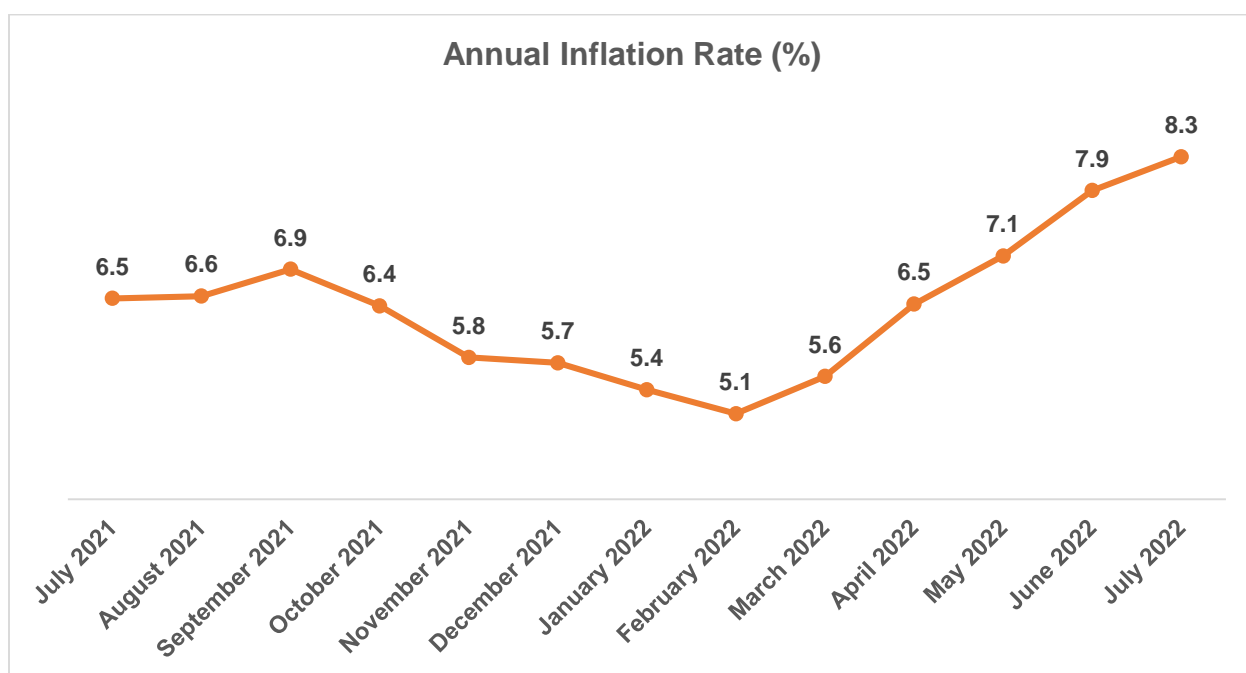

















Figure 2: Annual Inflation Rate (%), July 2021 – July 2022

Kenya Urban CPI was rebased in February 2019 using the weights derived from 2015/16 Kenya Integrated Household Budget Survey (KIHBS) data, which was conducted from September 2015 to August 2016. Rebased Kenya Urban CPI adopts 2018 Classification of Individual Consumption by Purpose (COICOP) categorization. Under rebased CPI, Kenya has a total of 330 Elementary Aggregates (EAs) and in each EA, there are items/products in which the Bureau collect prices.

Lower level indices in particular Elementary Aggregate Indices are computed using Jevons (geometric mean) method whereas higher level indices are computed using the modified Laspeyres index formula where short term price relatives are used.

Changes in average retail prices of selected commodities in the last one month is shown below;

Commodity Name	Change Over Last Month (June 2022 - July 2022)	Commodity Name	Change Over Last Month (June 2022 - July 2022)
 Carrots (1 Kg)	↑ 13.0%	 Oranges (1 Kg)	↓ 1.6%
 Maize Grain - Loose (1 Kg)	↑ 9.7%	 Potatoes (1 Kg)	↓ 3.8%
 Non-Aromatic (Unbroken) White Rice (2 Kg)	↑ 4.2%	 Onions (1 Kg)	↓ 5.5%
 Beans (1 Kg)	↑ 3.5%	 Laundry Soap/Bar Soap (800 Grams)	↑ 3.5%
 Green Grams (1 Kg)	↑ 3.4%	 Beer (Lagers and Stouts)	↑ 1.8%
 Kale-Sukuma Wiki (1 Kg)	↑ 3.2%	 Monthly House Rent - Single Room	↑ 0.6%
 Beef - With Bones (1 Kg)	↑ 1.2%	 Cooking Gas/LPG (13 Kg)	↓ 3.7%
 Cabbages (1 Kg)	↑ 1.1%		

For more information please visit www.knbs.or.ke or contact:

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29th July, 2022