Highlights of October 2023 Consumer Price Index (CPI)

Overall year-on-year (annual) inflation rate as measured by the Consumer Price Index (CPI) was 6.9 per cent, in October 2023; an increase from an inflation rate of 6.8 per cent recorded in September 2023. The month of October 2023 recorded a monthly inflation rate of 1.0 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;

Food and Non-Alcoholic Beverages Index increased by 7.8 per cent in the last 12 months (October 2022 - October 2023).

Transport Index increased by 13.6 per cent in the last 12 months.

Housing, Water, Electricity, Gas and Other Fuels Index increased by 7.8 per cent in the last 12 months.

Furnishings, Household Equipment and Routine Household Maintenance Index increased by 3.6 per cent in the last 12 months.

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 used mainly for economic decision making as current situation is compared to previous year situation, same period. **Inflation rate** is defined as a percentage change of the CPI between two periods.

Collection of retail prices for the compilation of the CPI is usually conducted during the second and third weeks of every month. Prices of different commodities are collected from selected retail outlets located in 50 data collection zones. Out of the 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.
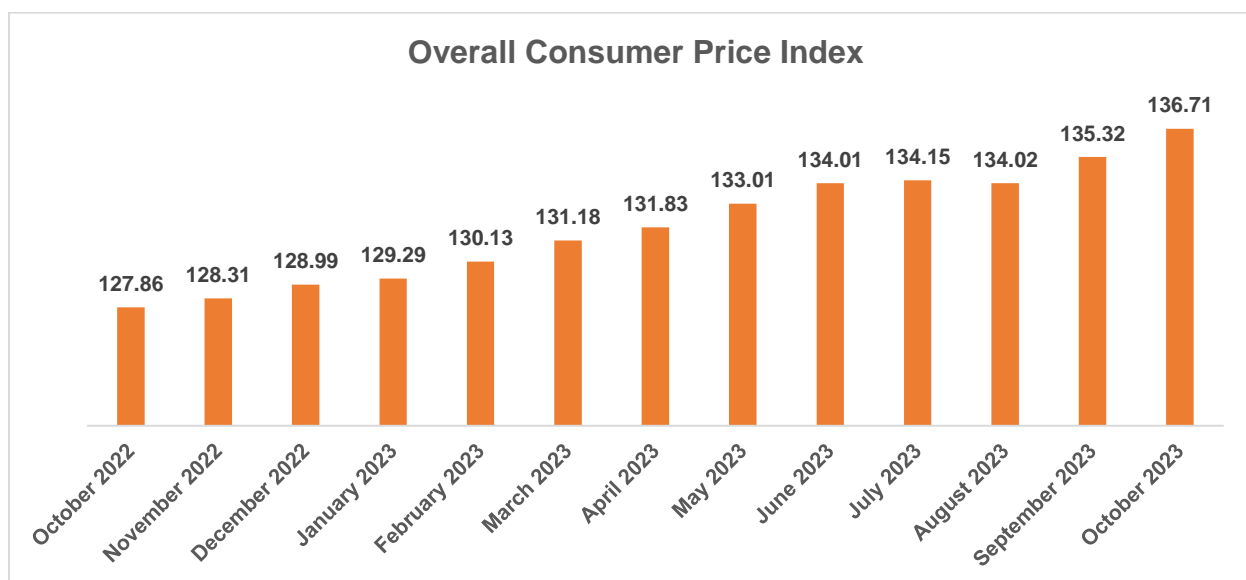
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Overall Consumer Price Index

Figure 1: Overall Consumer Price Index, October 2022 – October 2023

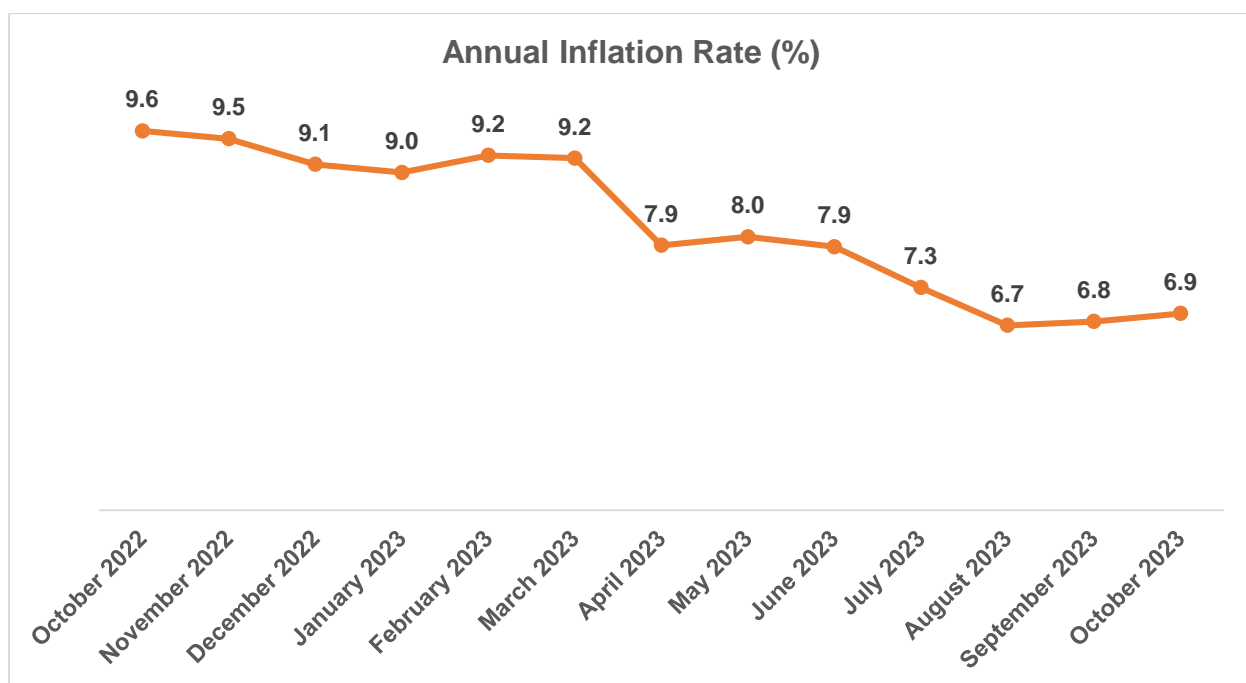**Annual Inflation Rate (%)**

Figure 2: Annual Inflation Rate (%), October 2022 – October 2023

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. Current Kenya Urban CPI adopts 2018 Classification of Individual Consumption by Purpose (COICOP) categorization. Under the current CPI, Kenya has a total of 330 Elementary Aggregates (EAs) and in each EA, there are items/products for which prices are collected.

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.

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Changes in average retail prices of selected commodities in the **last one month**

Commodity Name	Change Over Last Month (September 2023 - October 2023)	Commodity Name	Change Over Last Month (September 2023 - October 2023)
FOOD ITEMS			
Potatoes (1 Kg)	9.6% ↑	Kale - Sukuma Wiki (1 Kg)	2.4% ↑
Tomatoes (1 Kg)	5.4% ↑	Wheat Flour - White (2 Kgs)	0.8% ↓
Oranges (1 Kg)	2.8% ↑	Fortified Maize Flour (2 Kgs)	3.2% ↓
Carrots (1 Kg)	2.8% ↑	Maize Flour - Sifted (2 Kgs)	4.1% ↓
Beef - With Bones (1 Kg)	2.5% ↑		
NON-FOOD ITEMS			
Cooking Gas/LPG (13 Kgs)	7.3% ↑	Diesel (1 Litre)	2.2% ↑
Electricity (200 Kilowatts)	5.0% ↑	Kerosene/Paraffin (1 Litre)	1.2% ↑
Electricity (50 Kilowatts)	3.3% ↑	Monthly House Rent - Single Room	0.9% ↑
Petrol (1 Litre)	2.7% ↑		

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

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Twitter: @KNBStats

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Changes in average retail prices of selected commodities in the **last one year**

Commodity Name	Change Over Last Year (October 2022 - October 2023)	Commodity Name	Change Over Last Year (October 2022 - October 2023)
FOOD ITEMS			
Potatoes (1 Kg)	22.9%	Kale - Sukuma Wiki (1 Kg)	3.3%
Carrots (1 Kg)	19.0%	Fortified Maize Flour (2 Kgs)	2.4%
Tomatoes (1 Kg)	16.7%	Maize Flour - Sifted (2 Kgs)	2.9%
Oranges (1 Kg)	11.3%	Wheat Flour - White (2 Kgs)	5.7%
Beef - With Bones (1 Kg)	9.0%		
NON-FOOD ITEMS			
Electricity (50 Kilowatts)	44.1%	Petrol (1 Litre)	21.7%
Kerosene/Paraffin (1 Litre)	39.2%	Monthly House Rent - Single Room	3.7%
Electricity (200 Kilowatts)	30.3%	Cooking Gas/LPG (13 Kgs)	2.7%
Diesel (1 Litre)	25.8%		

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