

Highlights of October 2022 Consumer Price Index (CPI)

Overall year-on-year (annual) inflation rate as measured by the Consumer Price Index (CPI) was 9.6 per cent, in October 2022; an increase from an inflation rate of 9.2 per cent recorded in September 2022. Monthly inflation rate for October 2022 was 0.9 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;

Inflation Rate (October 2022): 9.6 per cent



Food and Non-Alcoholic Beverages Index **increased by 15.8 per cent** in the last 12 months (September 2021 - September 2022).

Housing, Water, Electricity, Gas and Other Fuels Index **increased by 7.1 per cent** in the last 12 months.



Transport Index **increased by 11.6 per cent** in the last 12 months.

Furnishings, Household Equipment and Routine Household Maintenance Index **increased by 10.9 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.

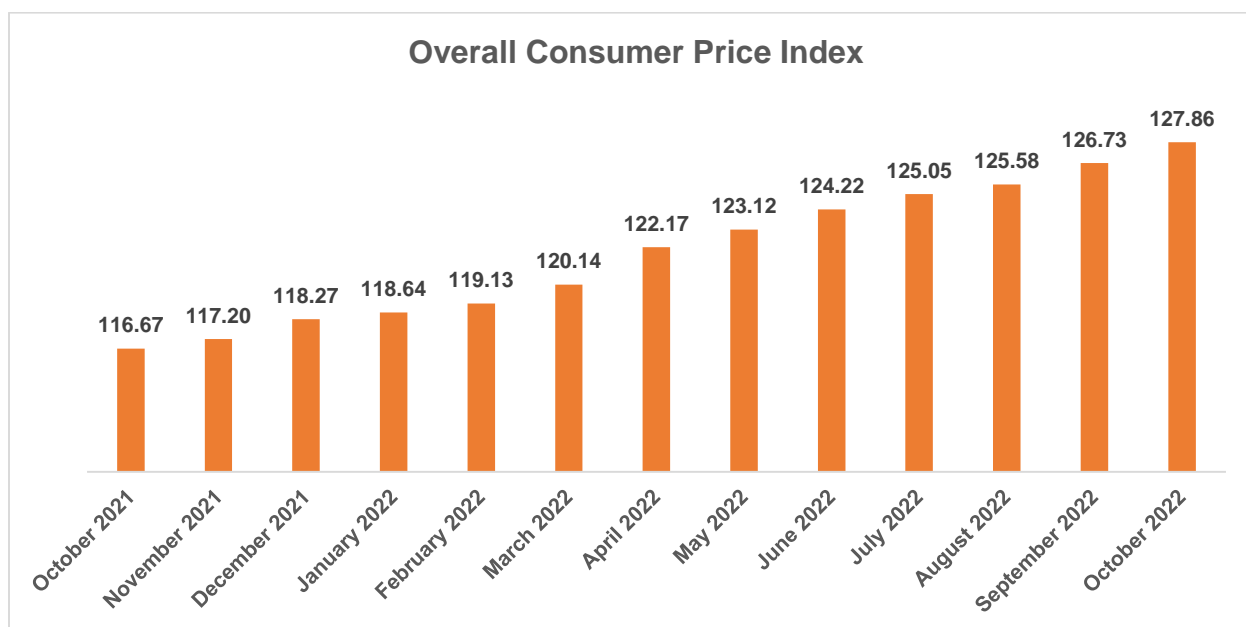


Figure 1: Overall Consumer Price Index, October 2021 - October 2022

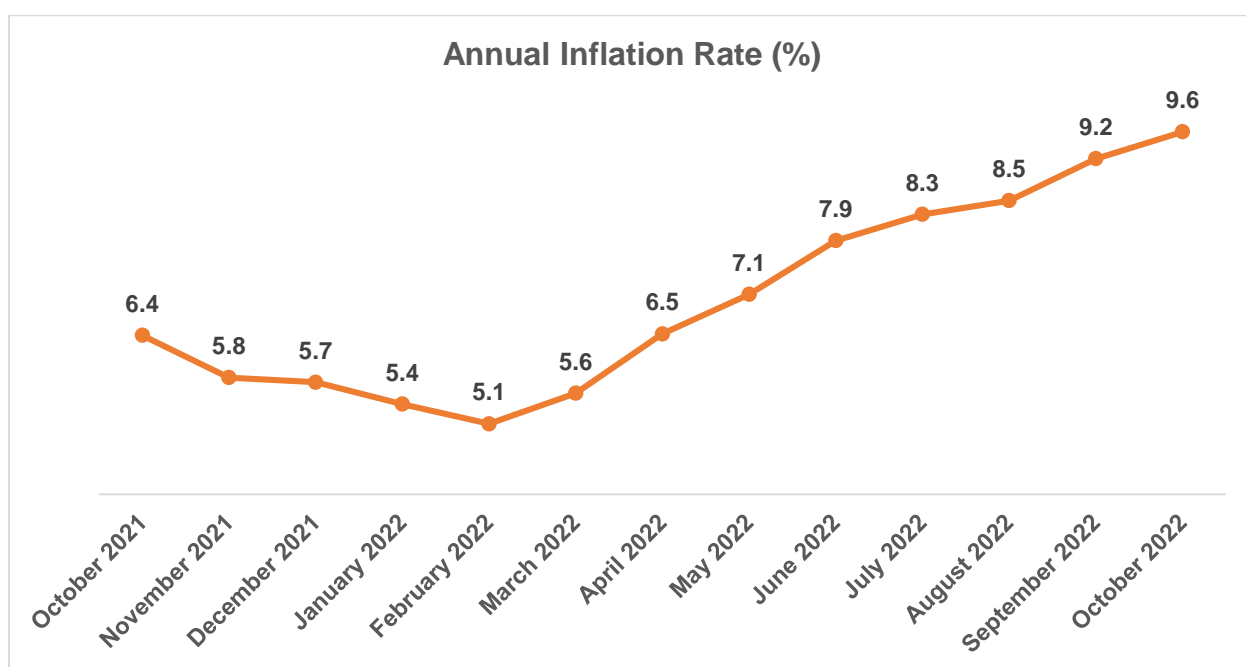

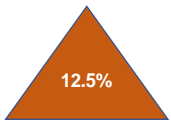



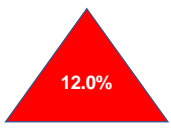


































Figure 2: Annual Inflation Rate (%), October 2021 - October 2022

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. 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.

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

Commodity Name	Change Over Last Month (September 2022 - October 2022)	Commodity Name	Change Over Last Month (September 2022 - October 2022)
FOOD ITEMS			
 Potatoes (Irish) (1 Kg)	 12.5%	 Fresh Unpacketed Cow Milk (1 Litre)	 1.1%
 Sugar (1 Kg)	 12.0%	 Maize Flour - Sifted (2 Kgs)	 1.7%
 Beans (1 Kg)	 7.5%	 Tomatoes (1 Kg)	 2.4%
 Mangoes (1 Kg)	 5.3%	 Carrots (1 Kg)	 2.4%
 Oranges (1 Kg)	 4.0%	 Cooking Oil (1 Litre)	 3.5%
 Kales-Sukuma Wiki (1 Kg)	 3.8%		
NON-FOOD ITEMS			
 Electricity (50 Kilowatts)	 2.4%	 Monthly House Rent - One Bedroom Unit	 0.6%
 Spirits (250 Millilitres)	 2.0%	 Petrol (1 Litre)	 0.6%
 Beer (Lagers, Stouts) (500 Millilitres)	 2.0%	 Kerosene/ Paraffin (1 Litre)	 0.7%
 Electricity (200 Kilowatts)	 1.8%	 Diesel (1 Litre)	 1.2%

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

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