

Press Release



Republic of Zambia

Central Statistical Office

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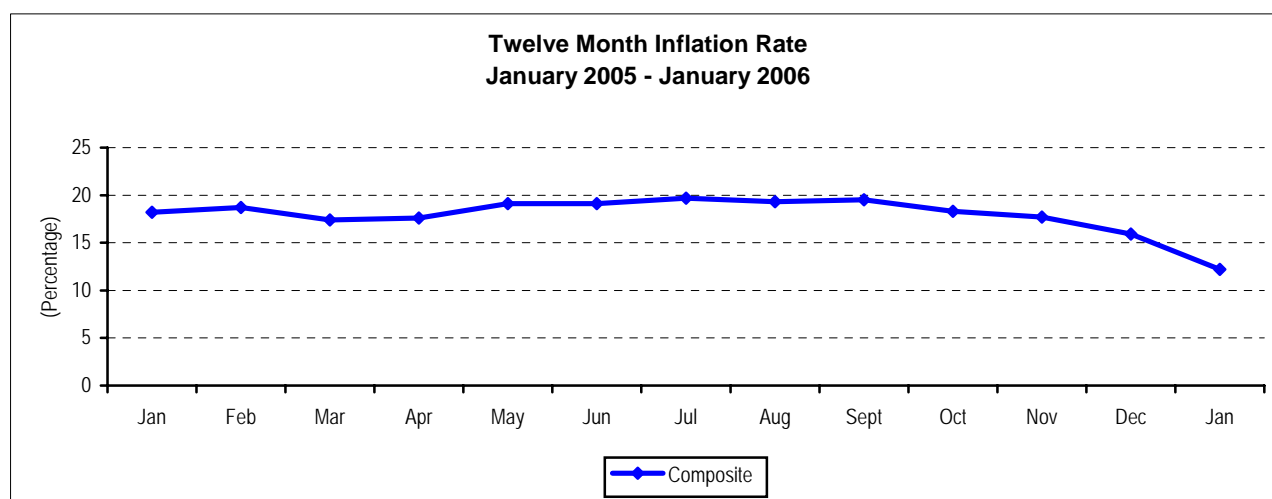
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Consumer Price Index (CPI) - January 2006

The Central Statistical Office through its monthly survey on consumer prices today announced that the annual rate of inflation, as measured by the all items Consumer Price Index (CPI), was recorded at 12.2 percent as at January 2006. This rate is 3.7 percentage points lower than the December rate of 15.9 percent. Compared with January 2005, the annual rate of inflation declined by 6.0 percentage points, from 18.2 percent in January 2005 to 12.2 percent in January 2006.

This means that prices as measured by the all items Consumer Price Index (CPI) increased by an average of 12.2 percent between January 2005 and January 2006.



Contributions of different Groups to overall inflation

The annual inflation rate for January 2006 is 3.7 percentage points lower than the December 2005 rate of 15.9 percent. This decline of 3.7 percentage points is largely accounted for by the fall in the cost of fuel, air/bus fares and new motor vehicles (0.5 of a percentage point), food and beverages (2.5 percentage points), rent and household energy (0.7 of a percentage point).

Furthermore, of the total 12.2 percent annual inflation in January 2006, increases in food prices accounted for 6.8 percentage points while non-food items in the Consumer Price Index (CPI) accounted for 5.4 percentage points.

Group	Percentage Points Contributions of different Groups to overall inflation	
	December 2005	January 2006
Food and Beverages	9.3	6.8
Clothing and Footwear	1.1	1.2
Rent and household energy	2.6	1.9
Furniture and Household Goods	1.8	1.8
Medical Care	0.1	0.1
Transport (fuel, air fares, new motor vehicles)	-0.3	-0.8
Recreation and Education	0.9	0.8
Other Goods and Services	0.4	0.4
All Items	15.9	12.2

Annual food inflation was recorded at 12.8 percent, declining by 4.7 percentage points on the December rate of 17.5 percent. Contributing most to the decline in inflation were decreases in the cost of cereals and cereal products, meat, dried kapenta, dried beans, fresh vegetables and industrially processed food items

Annual non-food inflation rate fell to 11.5 percent, from 14.0 percent in December 2005. Contributing to this decline were decreases in the cost of fuel, minibus fares, airfares, new motor vehicles, household fuel, and hotel accommodation.

A comparison of prices between December 2005 and January 2006, shows that the national average price of 1litre of petrol declined by 9.9 percent, from K6,028 to K5,433. The average price of 1kg of dried kapenta (Mpulungu) declined by 4.5 percent. The average price of 1kg of cabbage declined by 9 percent.

Furthermore, the cost of hotel accommodation (3-5 star) for one person/per night declined by 5.1 percent.

**TABLE 1: INDEX NUMBERS OF CONSUMER PRICES BY INCOME GROUP
(1994 WEIGHTS)**

1994 = 100

Period	Total	Metropolitan Low Income Group	Metropolitan High Income Group	Non Metropolitan Group
Weight	1000	261	295	444
1990	4.3	4.2	4.5	4.3
1991	8.6	8.3	9.2	8.4
1992	22.8	23.1	23.0	22.6
1993	64.7	65.3	63.5	65.1
1994	100.0	100.0	100.0	100.0
1995	134.9	135.8	135.3	134.2
1996	193.0	192.8	188.3	196.3
1997	240.2	237.8	235.1	245.0
1998	298.9	295.9	292.3	305.1
1999	379.0	372.3	373.5	386.6
2000	477.7	462.7	482.5	483.3
2001	579.9	554.8	587.4	589.6
2002	708.8	690.3	697.7	727.0
2003				
January	816.9	814.2	782.5	841.3
February	830.9	823.6	801.7	854.7
March	837.2	828.0	818.2	855.1
April	839.0	831.0	827.7	851.2
May	846.8	837.7	845.3	853.2
June	844.8	831.8	848.3	850.2
July	843.9	828.0	847.5	850.9
August	856.1	840.1	858.2	864.2
September	874.9	856.0	874.7	886.2
October	891.0	870.7	889.5	903.8
November	908.9	888.8	909.5	920.4
December	935.3	915.2	927.4	952.3
2004				
January	959.4	937.3	950.6	978.2
February	970.3	946.8	958.6	991.8
March	984.8	964.2	968.1	1008.0
April	987.9	967.4	977.4	1004.0
May	994.4	974.9	991.5	1007.8
June	1002.0	983.0	1000.2	1014.4
July	1008.2	984.5	1007.2	1022.9
August	1017.9	987.1	1020.8	1034.1
September	1030.3	994.2	1036.4	1047.5
October	1051.5	1017.7	1058.3	1066.9
November	1075.3	1040.5	1080.2	1092.5
December	1099.0	1068.4	1092.1	1121.4
2005				
January	1134.3	1102.7	1129.2	1156.2
February	1151.6	1115.4	1154.7	1170.8
March	1156.1	1111.9	1157.5	1181.2
April	1171.5	1131.1	1174.6	1193.1
May	1184.7	1144.3	1188.4	1206.1
June	1194.8	1153.8	1198.8	1216.2
July	1196.6	1156.9	1200.6	1217.3
August	1214.4	1176.5	1210.3	1239.5
September	1231.2	1190.6	1232.1	1254.5
October	1244.1	1202.9	1246.5	1266.8
November	1260.6	1224.6	1254.1	1286.1
December	1273.2	1245.9	1249.5	1305.0
2006				
January	1272.3	1238.7	1247.3	1308.8

TABLE 2: MONTH ON MONTH INFLATION RATES

Percent

Period	Total	Metropolitan Low Income Group	Metropolitan High Income Group	Non Metropolitan Group
Weight	1000	261	295	444
Jan 02 - Dec 01	4.3	4.9	2.7	4.9
Feb 02 - Jan 02	2.9	3.5	2.4	2.9
Mar 02 - Feb 02	1.0	0.9	1.4	0.8
Apr 02 - Mar 02	-0.8	0.0	0.0	-1.8
May 02 - Apr 02	1.0	1.5	1.1	0.8
Jun 02 - May 02	1.2	0.9	1.4	1.3
Jul 02 - Jun 02	1.3	1.6	1.3	1.3
Aug 02 - Jul 02	1.3	0.9	1.4	1.6
Sep 02 - Aug 02	1.5	1.8	1.3	1.6
Oct 02 - Sep 02	1.8	2.0	1.5	1.9
Nov 02 - Oct 02	3.8	4.4	2.9	4.0
Dec 02 - Nov 02	4.6	5.5	3.8	4.6
Jan 03 - Dec 02	2.3	3.0	1.1	2.7
Feb 03 - Jan 03	1.7	1.2	2.5	1.6
Mar 03 - Feb 03	0.8	0.5	2.1	0.1
Apr 03 - Mar 03	0.2	0.4	1.2	-0.5
May 03 - Apr 03	0.9	0.8	2.1	0.2
Jun 03 - May 03	-0.2	-0.7	0.4	-0.4
Jul 03 - Jun 03	-0.1	-0.5	-0.1	0.1
Aug 03 - Jul 03	1.4	1.5	1.3	1.6
Sep 03 - Aug 03	2.2	1.9	1.9	2.5
Oct 03 - Sep 03	1.8	1.7	1.7	2.0
Nov 03 - Oct 03	2.0	2.1	2.2	1.8
Dec 03 - Nov 03	2.9	3.0	2.0	3.5
Jan 04 - Dec 03	2.6	2.4	2.5	2.7
Feb 04 - Jan 04	1.1	1.0	0.8	1.4
Mar 04 - Feb 04	1.5	1.8	1.0	1.6
Apr 04 - Mar 04	0.3	0.3	1.0	-0.1
May 04 - Apr 04	0.7	0.8	1.4	0.1
Jun 04 - May 04	0.8	0.8	0.9	0.7
Jul 04 - Jun 04	0.6	0.1	0.7	0.8
Aug 04 - Jul 04	1.0	0.3	1.4	1.1
Sep 04 - Aug 04	1.2	0.7	1.5	1.3
Oct 04 - Sep 04	2.1	2.4	2.1	1.9
Nov 04 - Oct 04	2.3	2.2	2.1	2.4
Dec 04 - Nov 04	2.2	2.7	1.1	2.6
Jan 05 - Dec 04	3.2	3.2	3.4	3.1
Feb 05 - Jan 05	1.5	1.2	2.3	1.3
Mar 05 - Feb 05	0.4	-0.3	0.2	0.9
Apr 05 - Mar 05	1.3	1.7	1.5	1.0
May 05 - Apr 05	1.1	1.2	1.2	1.1
Jun 05 - May 05	0.8	0.8	0.9	0.8
Jul 05 - Jun 05	0.2	0.3	0.2	0.1
Aug 05 - Jul 05	1.5	1.7	0.8	1.8
Sep 05 - Aug 05	1.4	1.2	1.8	1.2
Oct 05 - Sep 05	1.1	1.0	1.2	1.0
Nov 05 - Oct 05	1.3	1.8	0.6	1.5
Dec 05 - Nov 05	1.0	1.7	-0.4	1.5
Jan 06 - Dec 05	-0.1	-0.6	-0.2	0.3

TABLE 3: TWELVE MONTH INFLATION RATES

Percent

Period	Total	Metropolitan Low Income Group	Metropolitan High Income Group	Non Metropolitan Group
Jan 02 - Jan 01	19.6	20.1	13.5	23.6
Feb 02 - Feb 01	19.2	18.6	16.1	21.6
Mar 02 - Mar 01	18.1	17.1	16.0	19.9
Apr 02 - Apr 01	17.8	18.0	16.9	18.3
May 02 - May 01	20.9	22.8	18.3	21.6
Jun 02 - Jun 01	23.6	26.6	20.1	24.3
Jul 02 - Jul 01	23.4	26.9	19.5	24.1
Aug 02 - Aug 01	23.7	26.0	20.0	24.9
Sep 02 - Sep 01	23.8	27.1	19.9	24.7
Oct 02 - Oct 01	23.8	27.7	20.0	24.2
Nov 02 - Nov 01	25.3	29.7	21.2	25.6
Dec 02 - Dec 01	26.7	31.5	23.2	26.2
Jan 03 - Jan 02	24.3	29.1	21.2	23.6
Feb 03 - Feb 02	22.9	26.2	21.3	22.0
Mar 03 - Mar 02	22.6	25.7	22.1	22.1
Apr 03 - Apr 02	23.9	26.1	23.5	22.8
May 03 - May 02	23.7	25.3	24.8	22.2
Jun 03 - Jun 02	21.9	23.2	23.5	20.2
Jul 03 - Jul 02	20.2	20.8	21.8	18.8
Aug 03 - Aug 02	20.3	21.5	21.7	18.8
Sep 03 - Sep 02	21.1	21.6	22.4	19.9
Oct 03 - Oct 02	21.1	21.3	22.7	20.0
Nov 03 - Nov 02	19.1	18.6	21.9	17.5
Dec 03 - Dec 02	17.2	15.8	19.8	16.3
Jan 04 - Jan 03	17.4	15.1	21.5	16.3
Feb 04 - Feb 03	16.8	15.0	19.6	16.0
Mar 04 - Mar 03	17.6	16.4	18.3	17.9
Apr 04 - Apr 03	17.8	16.4	18.1	18.3
May 04 - May 03	17.4	16.4	17.3	18.1
Jun 04 - Jun 03	18.6	18.2	17.9	19.3
Jul 04 - Jul 03	19.5	18.9	18.8	20.2
Aug 04 - Aug 03	18.9	17.5	18.9	19.7
Sep 04 - Sep 03	17.8	16.1	18.5	18.2
Oct 04 - Oct 03	18.0	16.9	19.0	18.0
Nov 04 - Nov 03	18.3	17.1	18.8	18.7
Dec 04 - Dec 03	17.5	16.7	17.8	17.8
Jan 05 - Jan 04	18.2	17.6	18.8	18.2
Feb 05 - Feb 04	18.7	17.8	20.5	18.1
Mar 05 - Mar 04	17.4	15.3	19.6	17.2
Apr 05 - Apr 04	18.6	16.9	20.2	18.5
May 05 - May 04	19.1	17.4	19.9	19.7
Jun 05 - Jun 04	19.2	17.4	19.8	19.9
Jul 05 - Jul 04	18.7	17.5	19.2	19.0
Aug 05 - Aug 04	19.3	19.2	18.6	19.9
Sep 05 - Sep 04	19.5	19.8	18.9	19.8
Oct 05 - Oct 04	18.3	18.2	17.8	18.7
Nov 05 - Nov 04	17.2	17.7	16.1	17.7
Dec 05 - Dec 04	15.9	16.6	14.4	16.4
Jan 06 - Jan 05	12.2	12.3	10.5	13.2

These Consumer Price Indices cover three series, namely: -

- The Metropolitan Low Income Group; which covers Low Income households in the urban areas
- The Metropolitan High Income Group; which covers High Income households in the urban areas
- The Non-Metropolitan Group; covering households in rural areas.

The Metropolitan areas comprise the 10 major towns. These include Livingstone, Lusaka urban, Kabwe urban and all the Copperbelt towns. The Metropolitan areas were further classified into Low and High Income households. All the small towns and the rural parts form the Non-Metropolitan.

In addition, a Composite Consumer Price Index series combining the three groups is also compiled. The base period for the Consumer Price Index is 1994.

The Consumer Price Index is calculated based on mid-month prices.

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