

# Press Release



Republic of Zambia

Central Statistical Office

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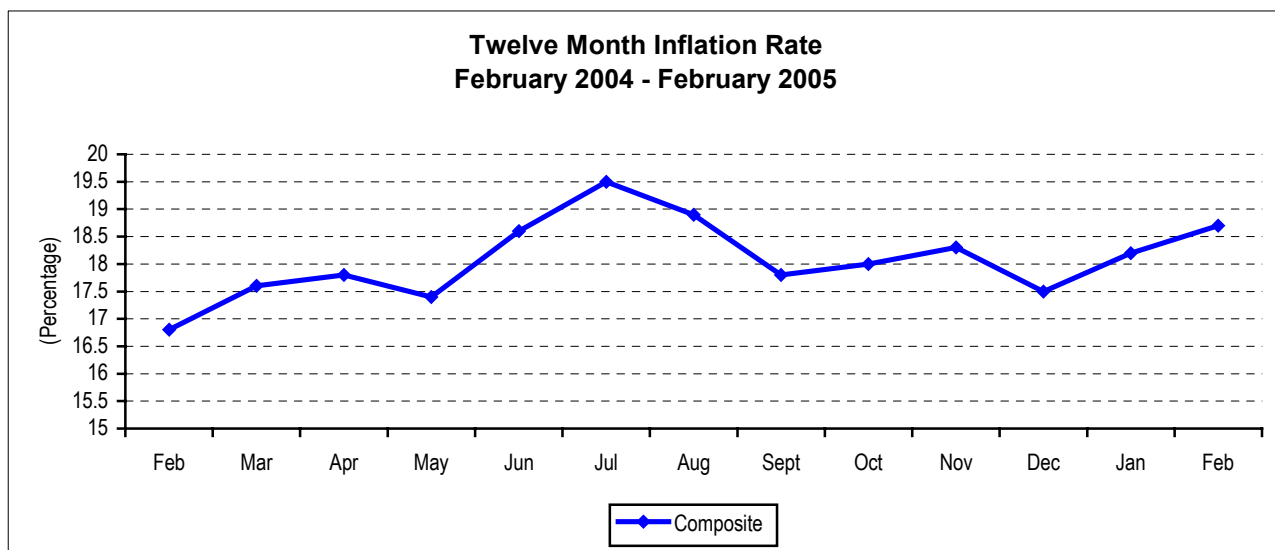
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## Consumer Price Index (CPI) - February 2005

The Central Statistical Office through its monthly survey on consumer prices today announced that the annual rate of inflation was recorded at 18.7 percent as at February 2005. This rate is 0.5 of a percentage point higher than the January rate of 18.2 percent. Compared with February 2004, the annual rate of inflation increased by 1.9 percentage points, from 16.8 percent in February 2004 to 18.7 percent in February 2005.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 17.8, 20.5 and 18.1 percent respectively.

Between January and February 2005, the Consumer Price Index increased by 1.5 percent.



## **Contributions of different Groups to overall inflation**

The annual inflation rate for February 2005 is 0.5 of a percentage point higher than the January 2005 rate of 18.2 percent. This increase of 0.5 of a percentage point is accounted for by increases in the cost of food and beverages, house rent and building repair items. There were no significant shifts in the contribution of other groups to the increase in inflation between January and February 2005.

Further more, of the total 18.7 percent annual inflation in February 2005, increases in food prices accounted for 9.8 percentage points while non-food items in the CPI accounted for 8.9 percentage points.

<b>Group</b>	<b>Percentage Points Contributions of different Groups to overall inflation</b>	
	<b>January 2005</b>	<b>February 2005</b>
Food and Beverages	9.6	9.8
Clothing and Footwear	1.3	1.2
Rent , Fuel and Lighting	1.8	2.2
Furniture and Household Goods	2.0	2.0
Medical Care	0.1	0.1
Transport and Communication	1.9	1.9
Recreation and Education	0.9	0.9
Other Goods and Services	0.6	0.6
<b>All Items</b>	<b>18.2</b>	<b>18.7</b>

Price increases were recorded for maize meal, maize grain, cereal products and other cereals, fresh meat, eggs, fresh vegetables, dried kapenta, salt and other processed food products.

Annual food inflation was recorded at 18.3 percent, increasing by 0.4 of a percentage point on the January rate of 17.9 percent. From January to February 2005, the index for food increased by 1.2 percent.

Annual non-food inflation rate stood at 19.4 percent, up by 0.7 of a percentage point on the January 2005 rate of 18.7 percent. Between January and February 2005, the non-food index increased by 2.1 percent. Price increases were recorded for clothing and footwear, house rent, furniture, household appliances, transport and communication.

A comparison of prices between January and February 2005, shows that the average price of a 25kg bag of roller meal increased by 4.5 percent from K27,156 in January to K28,365 in February 2005. The average price of maize grain measured in a 20 litre tin increased by 9.4 percent. The average price of 1kg of tomatoes increased by 11.8 percent, while the average price of 1kg of dried Kapenta (Mpulungu) went up by 1.9 percent.

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

1994 = 100

<b>Period</b>	<b>Total</b>	<b>Metropolitan Low Income Group</b>	<b>Metropolitan High Income Group</b>	<b>Non Metropolitan Group</b>
<b>Weight</b>	<b>1000</b>	<b>261</b>	<b>295</b>	<b>444</b>
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	860.5	847.1	852.5	873.6
2004	1015.1	988.8	1011.8	1032.7
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

**TABLE 2: MONTH ON MONTH INFLATION RATES**

Period	Percent			
	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

**TABLE 3: TWELVE MONTH INFLATION RATES**

Percent

<b>Period</b>	<b>Total</b>	<b>Metropolitan Low Income Group</b>	<b>Metropolitan High Income Group</b>	<b>Non Metropolitan Group</b>
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

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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