

Press Release



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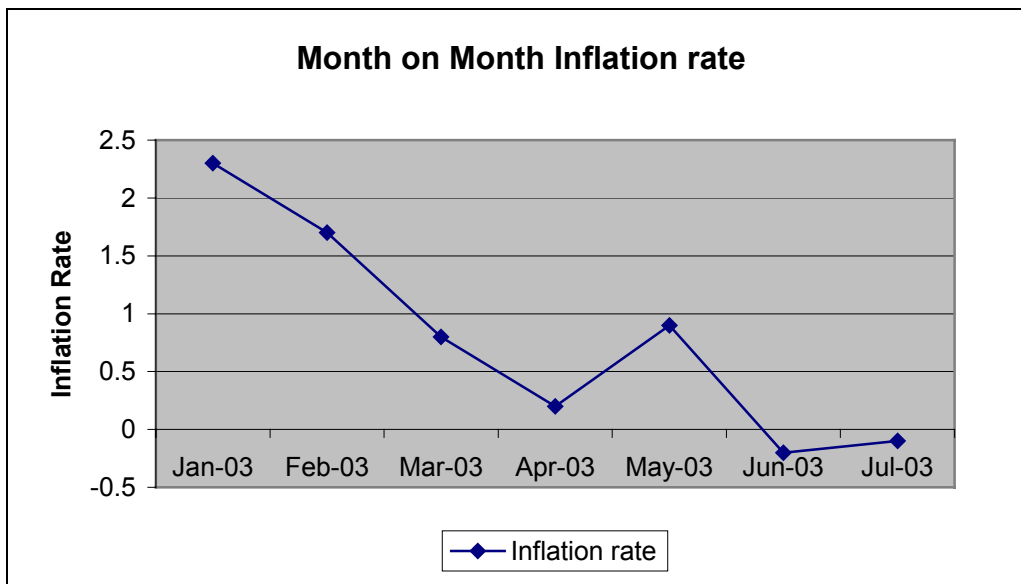
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Consumer Price Index (CPI)- July 2003

The Central Statistical Office, through its monthly data collection on prices, today announced that the monthly inflation rate was recorded at -0.1 percent as at July 2003, representing a lower decrease in the inflation rate compared to the rate of -0.2 percent recorded in the month of June. Monthly inflation rates for the Metropolitan Low, High Income and Non-Metropolitan groups were recorded at -0.5, -0.1 and 0.1 percent respectively.



Similarly, the annual rate of inflation declined from 21.9 percent in June to 20.2 percent as at July 2003. The July annual rate of inflation is 1.7 percentage points lower than the corresponding June rate. Annual inflation rates for Metropolitan Low and High Income and Non-Metropolitan Groups were recorded at 20.8, 21.8 and 18.8 percent respectively. The corresponding annual rates for these groups at June were 23.2, 23.5 and 20.2 percent respectively.

The downward trend in the food index was largely due to significant lower prices for mealie meal, maize grain and vegetables recorded in the month of July 2003. Additionally, price decreases occurred in dried beans, shelled groundnuts, sorghum and fresh kapenta. However, price increases were observed in the following food items; meat, fish, dried kapenta, oils and fats, milk and milk products and other processed food commodities.

Monthly food inflation was recorded at -0.6 percent in July 2003, 0.7 of a percentage point lower than the June 2003 rate of -1.3 percent. Measured on a 12 month basis, food inflation stood at 19.3 percent as at July 2003, declining by 2.8 percentage points on the June rate of 22.1 percent.

Price decreases were also observed in the non-food commodities. These were recorded in the medical care products and fuel. However, price increases were observed in the clothing and footwear, rent, fuel and lighting, furniture and household goods. Other price increases were recorded in the recreation and education and other goods and services. The Non – Food index recorded a monthly increase of 0.5 percent as at July 2003, compared to the June level of 0.9 percent. Measured on an annual basis, the Non-Food inflation stood at 21.1 percent as at July 2003, declining by 0.7 of a percentage point on the June rate of 21.8 percent.

Comparatively, the price of a 25kg bag of roller meal decreased by 8.8 percent, from K25,962 in June to K23,678 in July 2003. The average price of maize grain measured in 20 litre tin registered a decline of 1.6 percent.

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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