

Press Release



Republic of Zambia

Central Statistical Office

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For immediate Release
Thursday July 29, 2004

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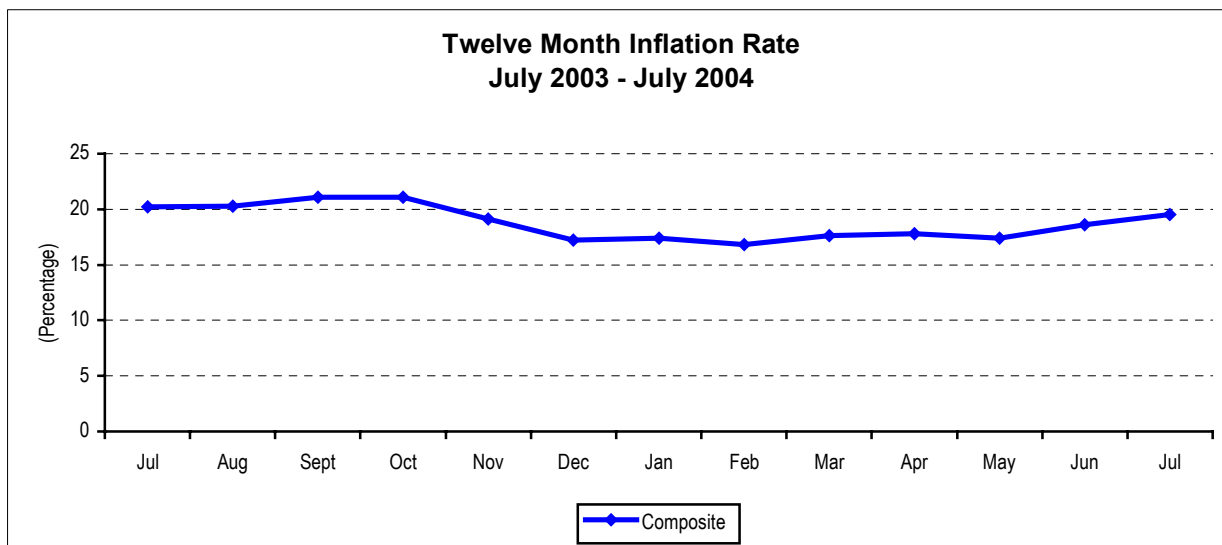
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Consumer Price Index (CPI) - July 2004

The Central Statistical Office through its monthly survey on consumer prices today announced that the annual rate of inflation was recorded at 19.5 percent as at July 2004. This rate is 0.9 of a percentage point higher than the June rate of 18.6 percent. Compared with July 2003, the annual rate of inflation declined by 0.7 of a percentage point, from 20.2 percent in July 2003 to 19.5 percent in July 2004.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 18.9, 18.8 and 20.2 percent respectively.

Between June and July 2004, the Consumer Price Index increased by 0.6 percent.



Contributions of different Groups to overall inflation

The annual inflation rate for July 2004 is 0.9 of a percentage point higher than the June rate of 18.6 percent. Of this rise of 0.9 percentage points, 0.6 percentage points are accounted for by food and beverages and 0.3 percentage points are accounted for by transport and communication. There were no significant shifts in the contribution of other groups to inflation between June and July 2004.

Further more, of the total 19.5 percent annual inflation in July 2004, increases in food prices accounted for 10.4 percentage points while non-food items in the CPI accounted for 9.1 percentage points.

| Group | Percentage Points Contributions of different Groups to overall inflation | |
|-------------------------------|---|-------------|
| | June | July |
| Food Beverages and Tobacco | 9.8 | 10.4 |
| Clothing and Footwear | 2.1 | 2.1 |
| Rent , Fuel and Lighting | 1.7 | 1.7 |
| Furniture and Household Goods | 2.5 | 2.5 |
| Medical Care | 0.1 | 0.2 |
| Transport and Communication | 0.5 | 0.8 |
| Recreation and Education | 1.4 | 1.3 |
| Other Goods and Services | 0.5 | 0.5 |
| All Items | 18.6 | 19.5 |

Annual food inflation was recorded at 19.9 percent gaining 1.2 percentage points on the June rate of 18.7 percent. From June to July 2004, the index for food increased by 0.4 percent.

Relatively higher prices were recorded for some food items, especially maize grain, other cereals, fresh meat, fish, dried Kapenta, dressed chicken, dried beans, shelled groundnuts, milk and milk products, eggs, cooking oil, salt and other processed food products. Price reductions were however registered for maize meal, fresh vegetables, fresh fruits, sweet potatoes, and raw cassava tubers.

Annual non-food inflation rate stood at 19.0 percent, increasing by 0.5 of a percentage point on the June rate of 18.5 percent. Between June and July 2004, the Non-Food index increased by 0.9 percent. Non-food inflation was largely due to increases in the cost of fuel, mini bus fares, household energy (paraffin, candles), house rent, furniture and household appliances, leisure goods (television sets, video recorders), clothing and footwear.

A comparison of prices between June and July 2004, shows that the average price of Maize Grain measured in a 20-litre tin increased by 8.5 percent, from K9,468 in June to K10,271 in July 2004. The average price of 1kg of dressed chicken increased by 1.4 percent, while the price of 1kg of dried Siavonga Kapenta went up by 4.2 percent. However, maize meal prices dropped during the month. For instance, the average price of a 25kg bag of Roller Meal dropped by 3.2 percent, from K25,053 in June to K24,249 in July 2004.

**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 | 860.5 | 847.1 | 852.5 | 873.6 |
| 2002 January | 657.3 | 630.9 | 645.6 | 680.6 |
| February | 676.4 | 652.9 | 660.8 | 700.6 |
| March | 683.1 | 658.7 | 670.3 | 705.9 |
| April | 677.4 | 659.0 | 670.3 | 692.9 |
| May | 684.5 | 668.8 | 677.3 | 698.4 |
| June | 692.9 | 674.9 | 687.1 | 707.4 |
| July | 702.3 | 685.4 | 696.0 | 716.3 |
| August | 711.7 | 691.6 | 705.5 | 727.6 |
| September | 722.6 | 703.8 | 714.6 | 739.0 |
| October | 735.6 | 717.7 | 725.1 | 753.2 |
| November | 763.3 | 749.2 | 745.9 | 783.3 |
| December | 798.3 | 790.7 | 774.0 | 819.0 |
| 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 |

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 01 - Dec 00 | 3.5 | 4.0 | 3.2 | 3.3 |
| Feb 01 - Jan 01 | 3.3 | 4.7 | 0.1 | 4.6 |
| Mar 01 - Feb 01 | 2.0 | 2.2 | 1.5 | 2.2 |
| Apr 01 - Mar 01 | -0.6 | -0.7 | -0.7 | -0.5 |
| May 01 - Apr 01 | -1.5 | -2.5 | -0.2 | -1.9 |
| Jun 01 - May 01 | -0.9 | -2.1 | 0.0 | -0.9 |
| Jul 01 - Jun 01 | 1.5 | 1.3 | 1.8 | 1.4 |
| Aug 01 - Jul 01 | 1.1 | 1.6 | 0.9 | 0.9 |
| Sep 01 - Aug 01 | 1.4 | 0.9 | 1.4 | 1.7 |
| Oct 01 - Sep 01 | 1.8 | 1.5 | 1.4 | 2.3 |
| Nov 01 - Oct 01 | 2.5 | 2.7 | 1.9 | 2.8 |
| Dec 01 - Nov 01 | 3.5 | 4.1 | 2.1 | 4.0 |
| 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 |

TABLE 3: TWELVE MONTH INFLATION RATES

Percent

| Period | Total | Metropolitan Low Income Group | Metropolitan High Income Group | Non Metropolitan Group |
|-----------------|--------------|--|---|---------------------------------------|
| Jan 01 - Jan 00 | 30.0 | 27.9 | 34.8 | 28.0 |
| Feb 01 - Feb 00 | 29.1 | 28.1 | 31.3 | 28.4 |
| Mar 01 - Mar 00 | 28.8 | 28.0 | 30.8 | 28.0 |
| Apr 01 - Apr 00 | 24.8 | 24.0 | 24.7 | 25.3 |
| May 01 - May 00 | 22.2 | 20.8 | 23.2 | 22.4 |
| Jun 01 - Jun 00 | 20.2 | 17.4 | 22.4 | 20.4 |
| Jul 01 - Jul 00 | 17.1 | 14.2 | 18.6 | 17.8 |
| Aug 01 - Aug 00 | 16.8 | 14.9 | 17.5 | 17.5 |
| Sep 01 - Sep 00 | 17.4 | 15.6 | 17.4 | 18.5 |
| Oct 01 - Oct 00 | 17.2 | 15.1 | 16.6 | 18.6 |
| Nov 01 - Nov 00 | 17.7 | 16.8 | 15.6 | 19.7 |
| Dec 01 - Dec 00 | 18.7 | 19.0 | 14.1 | 21.7 |
| 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 |

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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