

Press Release



Republic of Zambia

Central Statistical Office

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For immediate Release
Thursday July 28, 2005

Information
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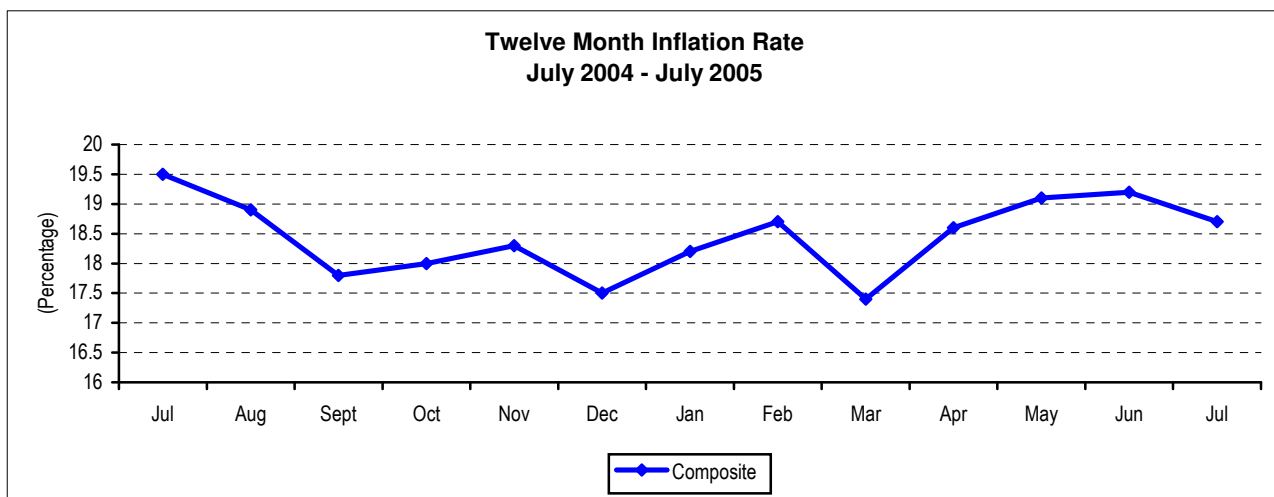
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Consumer Price Index (CPI) - July 2005

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 July 2005. This rate is 0.5 of a percentage point lower than the June rate of 19.2 percent. Compared with July 2004, the annual rate of inflation declined by 0.8 of a percentage point, from 19.5 percent in July 2004 to 18.7 percent in July 2005.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 17.5, 19.2 and 19.0 percent respectively.

Between June and July 2005, the Consumer Price Index increased by 0.2 percent.



Contributions of different Groups to overall inflation

The annual inflation rate for July 2005 is 0.5 of a percentage point lower than the June 2005 rate of 19.2 percent. This decline of 0.5 of a percentage point is accounted for by food and beverages, and transport groups. There were no significant shifts in the contribution of other groups to the decrease in inflation between June and July 2005.

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

| Group | Percentage Points Contributions of different Groups to overall inflation | |
|-------------------------------|---|------------------|
| | June 2005 | July 2005 |
| Food and Beverages | 10.1 | 9.8 |
| Clothing and Footwear | 1.1 | 1.0 |
| Rent, Fuel and Lighting | 2.7 | 2.8 |
| Furniture and Household Goods | 1.9 | 2.0 |
| Medical Care | 0.1 | 0.1 |
| Transport and Communication | 1.8 | 1.5 |
| Recreation and Education | 0.9 | 0.9 |
| Other Goods and Services | 0.6 | 0.6 |
| All Items | 19.2 | 18.7 |

Marginal price increases were recorded for maize meal, maize grain, dried beans, kapenta, eggs, shelled groundnuts, sweet potatoes, irish potatoes, millet and sorghum. Partially offsetting these increases were declines in the cost of dried fish, fresh vegetables, cassava meal, chicken and fresh meat.

Annual food inflation was recorded at 18.7 percent, down by 0.6 of a percentage point on the June rate of 19.3 percent. From June to July 2005, the index for food changed by - 0.1 percent.

Annual non-food inflation rate stood at 18.7 percent, declining by 0.5 of a percentage point on the June rate of 19.2 percent. Between June and July 2005, the non-food index increased by 0.5 percent. This increase was mainly due to the rise in the cost house rent and household appliances.

A comparison of prices between June and July 2005, shows that the average price of a 25kg bag of breakfast meal increased by 0.9 percent from K36, 443 in June to K36, 780 in July 2005. The average price of 1kg of dried bream declined by 8.9 percent, while the average price of 1kg of rape vegetables declined by 11.3 percent.

The average price of maize grain measured in a 20litre tin recorded an increase of 3.7 percent, from K13,272 in June to K13,766 in July 2005.

**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 |
| 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 |
| 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 |

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 |

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 |

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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