

# Press Release



Central Statistical Office

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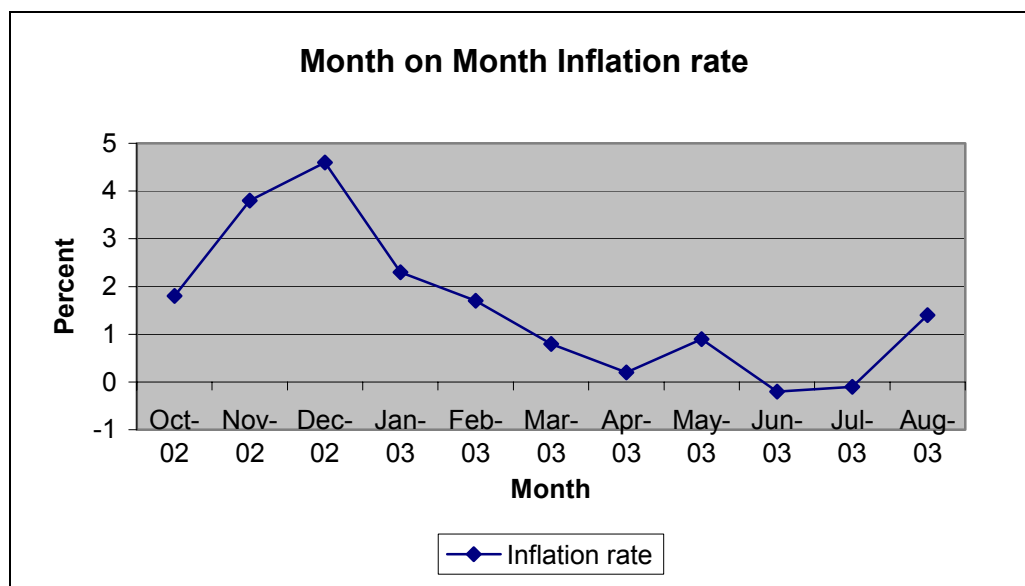
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## Consumer Price Index (CPI) - August 2003

The Central Statistical Office through its monthly data collection on prices, today announced that the monthly inflation rate was recorded at 1.4 percent as at August 2003, representing an increase of 1.5 percentage points on the July rate of -0.1 percent. Monthly inflation rates for the Metropolitan Low and High Income and Non-Metropolitan Groups were recorded at 1.5, 1.3 and 1.6 percent respectively.



The annual rate of inflation increased marginally from 20.2 percent in July 2003 to 20.3 percent as at August 2003. The August annual rate of inflation is 0.1 of a percentage point higher than the corresponding July rate. Annual inflation rates for Metropolitan Low and High Income and Non-Metropolitan Groups were recorded at 21.5, 21.7 and 18.8 percent respectively.

The upward trend in the food index was largely due to significant higher prices for roller Mealie Meal and Maize grain in the month of August 2003. Other price increases were observed in shelled Groundnuts, dried Kapenta, fresh Fish, Meat, Oils and Fats, Milk and Milk products and other processed food commodities. However, price decreases were observed in the following food items; Rice, fresh Kapenta, dried Fish, Vegetables and both Alcoholic and Non-Alcoholic Beverages.

The Food index was recorded at 1.9 percent in August 2003, 2.5 percentage points higher than -0.6 percent recorded for July 2003. Measured on a 12-month basis, Food Inflation stood at 19.7 percent as at August 2003, increasing by 0.4 of a percentage point on the July rate of 19.3 percent.

Price decreases in Non-Food commodities were also observed in Fuel and Air Fares.

The average price of a 25Kg bag of Roller Meal increased by 5.2 percent, from K23,678 in July 2003 to K24,904 in August 2003. Maize grain measured in a 20 litre tin also registered an increase, from K10,092 in July 2003 to K11,054, reflecting an increase of 9.5 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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