

Press Release



Republic of Zambia

Central Statistical Office

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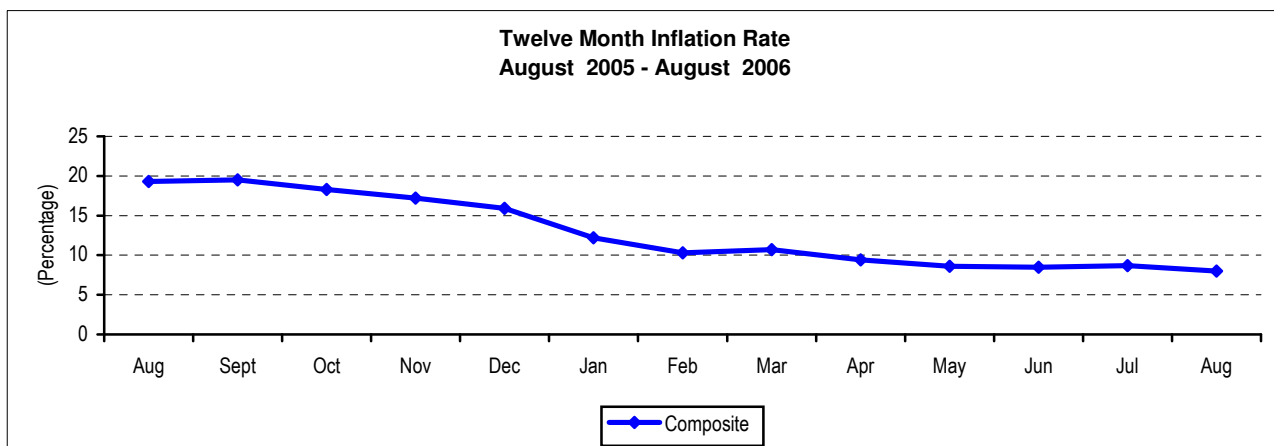
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Consumer Price Index (CPI) - August 2006

The Central Statistical Office through its monthly survey on consumer prices today announced that the annual rate of inflation, as measured by the all items Consumer Price Index (CPI), was recorded at 8.0 percent as at August 2006. This rate is 0.7 of a percentage point lower than the July rate of 8.7 percent. Compared with the same period last year, the annual rate of inflation declined by 11.3 percentage points, from 19.3 percent in August 2005 to 8.0 percent in August 2006.

The August 2006 inflation rate of 8.0 percent means that prices as measured by the all items Consumer Price Index (CPI) increased by an average of 8.0 percent between August 2005 and August 2006.



Contributions of different Items to overall inflation

The decline of 0.7 of a percentage point in inflation from 8.7 percent in July 2006 to 8.0 percent in August 2006 is due to the decline in the inflation rate for food, beverages and tobacco.

Of the total 8.0 percent annual inflation in August 2006, food products accounted for 0.2 of a percentage point while non-food products in the Consumer Price Index (CPI) accounted for a total of 7.8 percentage points. This means that 97 percent of inflation in August 2006 was due to the increase in the cost of non-food items.

Item	Percentage Points Contributions of different Items to overall inflation	
	July 2006	August 2006
Food, Beverages and Tobacco	2.2	0.2
Clothing and Footwear	2.2	2.2
Rent and household energy	1.3	1.6
Furniture and Household Goods	1.6	1.9
Medical Care	0.1	0.2
Transport (fuel, air fares, new motor vehicles)	-0.1	0.5
Recreation and Education	1.0	1.0
Other Goods and Services	0.4	0.4
All Items	8.7	8.0

The annual food inflation rate was recorded at 0.4 percent in August 2006, declining by 3.9 percentage points on the July rate of 4.3 percent. Contributing most to the decline in food inflation were decreases in the cost of maize grain, maize meal, fresh vegetables, fish, kapenta, dressed chicken, irish potatoes and shelled groundnuts.

The annual non-food inflation rate stood at 16.4 percent in August 2006, compared with 13.6 percent in July 2006. This rise was mainly due to increases in the cost of house rent and household energy, furniture and household appliances, airfares and new motor vehicles.

A comparison of prices between July 2006 and August 2006, shows that the national average price of a 25 kg bag of roller meal declined by 3.2 percent, from K25,406 to K24,599. The national average price of a 20 litre tin of maize grain declined by 0.4 percent, from K11,193 to K11,148. The national average price of 1kg of tomatoes declined by 21.2 percent, while the national average price of 1kg of dried Kapenta (Mplungu) declined by 6.4 percent.

The high weight of maize grain, maize meal, fish/kapenta and fresh vegetables in the CPI means that any changes in the prices of these products have a strong bearing on the movements of the CPI.

**TABLE 1: Index Numbers of Consumer Prices by Food and Non-Food Items
(1994 WEIGHTS)**

1994 = 100

Period	Total	Food	Non-Food
Weight	1000	571	429
1990	4.3	4.0	4.8
1991	8.6	7.7	9.8
1992	22.8	23.2	22.4
1993	64.7	66.2	62.7
1994	100.0	100.0	100.0
1995	134.9	135.2	134.5
1996	193.0	192.7	193.4
1997	240.2	234.0	248.3
1998	298.9	291.5	308.7
1999	379.0	357.3	407.7
2000	477.7	438.0	530.2
2001	579.9	520.7	658.4
2002	708.8	661.6	771.3
2003 January	816.9	799.1	839.8
February	830.9	803.1	867.7
March	837.2	797.2	890.1
April	839.0	791.8	901.6
May	846.8	788.9	923.7
June	844.8	778.8	932.4
July	843.9	774.0	936.7
August	856.1	788.6	945.8
September	874.9	813.8	956.1
October	891.0	833.2	967.6
November	908.9	849.0	988.5
December	935.3	878.4	1010.7
2004 January	959.4	898.7	1039.8
February	970.3	906.6	1054.8
March	984.8	924.3	1065.0
April	987.9	921.0	1076.6
May	994.4	922.1	1090.4
June	1002.0	924.4	1105.1
July	1008.2	927.7	1115.0
August	1017.9	935.7	1127.0
September	1030.3	941.2	1148.5
October	1051.5	966.9	1163.7
November	1075.3	991.9	1186.0
December	1099.0	1021.7	1201.5
2005 January	1134.3	1059.3	1233.8
February	1151.6	1072.5	1256.7
March	1156.1	1072.0	1267.8
April	1171.5	1086.6	1284.1
May	1184.7	1098.6	1299.2
June	1194.8	1102.4	1317.5
July	1196.6	1100.9	1323.9
August	1214.4	1126.1	1331.6
September	1231.2	1136.1	1357.6
October	1244.1	1148.9	1370.5
November	1260.6	1172.9	1377.1
December	1273.2	1200.9	1369.3
2006 January	1272.3	1194.5	1375.7
February	1270.0	1182.2	1386.5
March	1279.6	1189.3	1399.3
April	1281.6	1176.7	1420.7
May	1286.8	1159.7	1455.3
June	1296.8	1160.8	1477.2
July	1300.2	1147.9	1504.2
August	1311.1	1131.1	1549.9

TABLE 2: MONTH ON MONTH INFLATION RATES

Percent

Period	Total	Food	Non-Food
Jan 02 - Dec 01	4.3	6.7	1.7
Feb 02 - Jan 02	2.9	3.7	2.0
Mar 02 - Feb 02	1.0	0.4	1.7
Apr 02 - Mar 02	-0.8	-1.6	0.1
May 02 - Apr 02	1.0	1.2	1.9
Jun 02 - May 02	1.2	1.0	1.4
Jul 02 - Jun 02	1.4	1.7	1.0
Aug 02 - Jul 02	1.3	1.6	1.0
Sep 02 - Aug 02	1.5	1.9	1.1
Oct 02 - Sep 02	1.8	2.5	1.0
Nov 02 - Oct 02	3.8	5.7	1.5
Dec 02 - Nov 02	4.6	6.3	2.5
Jan 03 - Dec 02	2.3	3.2	1.1
Feb 03 - Jan 03	1.7	0.5	3.3
Mar 03 - Feb 03	0.8	-0.7	2.6
Apr 03 - Mar 03	0.2	-0.7	1.3
May 03 - Apr 03	0.9	-0.4	2.5
Jun 03 - May 03	-0.2	-0.3	0.9
Jul 03 - Jun 03	-0.1	-0.6	0.5
Aug 03 - Jul 03	1.4	1.9	1.0
Sep 03 - Aug 03	2.2	3.2	1.1
Oct 03 - Sep 03	1.8	2.4	1.2
Nov 03 - Oct 03	2.0	1.9	2.2
Dec 03 - Nov 03	2.9	3.5	2.2
Jan 04 - Dec 03	2.6	2.3	2.9
Feb 04 - Jan 04	1.1	0.9	1.4
Mar 04 - Feb 04	1.5	2.0	1.0
Apr 04 - Mar 04	0.3	-0.4	1.1
May 04 - Apr 04	0.7	0.1	1.3
Jun 04 - May 04	0.8	0.2	1.3
Jul 04 - Jun 04	0.6	0.4	0.9
Aug 04 - Jul 04	1.0	0.9	1.1
Sep 04 - Aug 04	1.2	0.6	1.9
Oct 04 - Sep 04	2.1	2.7	1.3
Nov 04 - Oct 04	2.3	2.6	1.9
Dec 04 - Nov 04	2.2	3.0	1.3
Jan 05 - Dec 04	3.2	3.7	2.7
Feb 05 - Jan 05	1.5	1.2	1.9
Mar 05 - Feb 05	0.4	0.0	0.9
Apr 05 - Mar 05	1.3	1.4	1.3
May 05 - Apr 05	1.1	1.1	1.2
Jun 05 - May 05	0.8	0.3	1.4
Jul 05 - Jun 05	0.2	-0.1	0.5
Aug 05 - Jul 05	1.5	2.3	0.6
Sep 05 - Aug 05	1.4	0.9	1.9
Oct 05 - Sep 05	1.1	1.1	1.0
Nov 05 - Oct 05	1.3	2.1	0.5
Dec 05 - Nov 05	1.0	2.4	-0.6
Jan 06 - Dec 05	-0.1	-0.5	0.5
Feb 06 - Jan 06	-0.2	-1.0	0.8
Mar 06 - Feb 06	0.8	0.6	0.9
Apr 06 - Mar 06	0.2	-1.1	0.5
May 06 - Apr 06	0.4	-1.4	2.4
Jun 06 - May 06	0.8	0.1	1.5
Jul 06 - Jun 06	0.3	-1.1	1.8
Aug 06 - Jul 06	0.8	-1.5	3.0

TABLE 3: TWELVE-MONTH INFLATION RATES

Percent

Period	Total	Food	Non-Food
Jan 02 - Jan 01	19.6	22.6	16.4
Feb 02 - Feb 01	19.2	20.1	18.2
Mar 02 - Mar 01	18.1	17.6	18.6
Apr 02 - Apr 01	17.8	17.1	18.6
May 02 - May 01	20.9	23.8	17.9
Jun 02 - Jun 01	23.6	28.9	18.1
Jul 02 - Jul 01	23.4	30.3	16.6
Aug 02 - Aug 01	23.7	30.8	16.7
Sep 02 - Sep 01	23.8	31.6	16.1
Oct 02 - Oct 01	23.8	31.7	15.8
Nov 02 - Nov 01	25.3	34.4	15.9
Dec 02 - Dec 01	26.7	35.5	17.2
Jan 03 - Jan 02	24.3	31.1	16.5
Feb 03 - Feb 02	22.8	27.1	18.0
Mar 03 - Mar 02	22.6	25.7	19.0
Apr 03 - Apr 02	23.9	26.9	20.5
May 03 - May 02	23.7	24.9	22.4
Jun 03 - Jun 02	21.9	22.1	21.8
Jul 03 - Jul 02	20.2	19.3	21.1
Aug 03 - Aug 02	20.3	19.7	21.0
Sep 03 - Sep 02	21.1	21.2	21.0
Oct 03 - Oct 02	21.1	21.0	21.3
Nov 03 - Nov 02	19.1	16.6	22.1
Dec 03 - Dec 02	17.2	13.5	21.7
Jan 04 - Jan 03	17.4	12.5	23.5
Feb 04 - Feb 03	16.8	12.9	21.6
Mar 04 - Mar 03	17.6	15.9	19.6
Apr 04 - Apr 03	17.8	16.3	19.4
May 04 - May 03	17.4	16.9	18.0
Jun 04 - Jun 03	18.6	18.7	18.5
Jul 04 - Jul 03	19.5	19.9	19.0
Aug 04 - Aug 03	18.9	18.7	19.2
Sep 04 - Sep 03	17.8	15.7	20.1
Oct 04 - Oct 03	18.0	16.0	20.3
Nov 04 - Nov 03	18.3	16.8	20.0
Dec 04 - Dec 03	17.5	16.3	18.9
Jan 05 - Jan 04	18.2	17.9	18.7
Feb 05 - Feb 04	18.7	18.3	19.1
Mar 05 - Mar 04	17.4	16.0	19.0
Apr 05 - Apr 04	18.6	18.0	19.3
May 05 - May 04	19.1	19.1	19.2
Jun 05 - Jun 04	19.2	19.3	19.2
Jul 05 - Jul 04	18.7	18.7	18.7
Aug 05 - Aug 04	19.3	20.4	18.2
Sep 05 - Sep 04	19.5	20.7	18.2
Oct 05 - Oct 04	18.3	18.8	17.8
Nov 05 - Nov 04	17.2	18.3	16.1
Dec 05 - Dec 04	15.9	17.5	14.0
Jan 06 - Jan 05	12.2	12.8	11.5
Feb 06 - Feb 05	10.3	10.2	10.3
Mar 06 - Mar 05	10.7	10.9	10.4
Apr 06 - Apr 05	9.4	8.3	10.6
May 06 - May 05	8.6	5.6	12.0
Jun 06 - Jun 05	8.5	5.3	12.1
Jul 06 - Jul 05	8.7	4.3	13.6
Aug 06 - Aug 05	8.0	0.4	16.4

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 are 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.

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