

Press Release



Central Statistical Office

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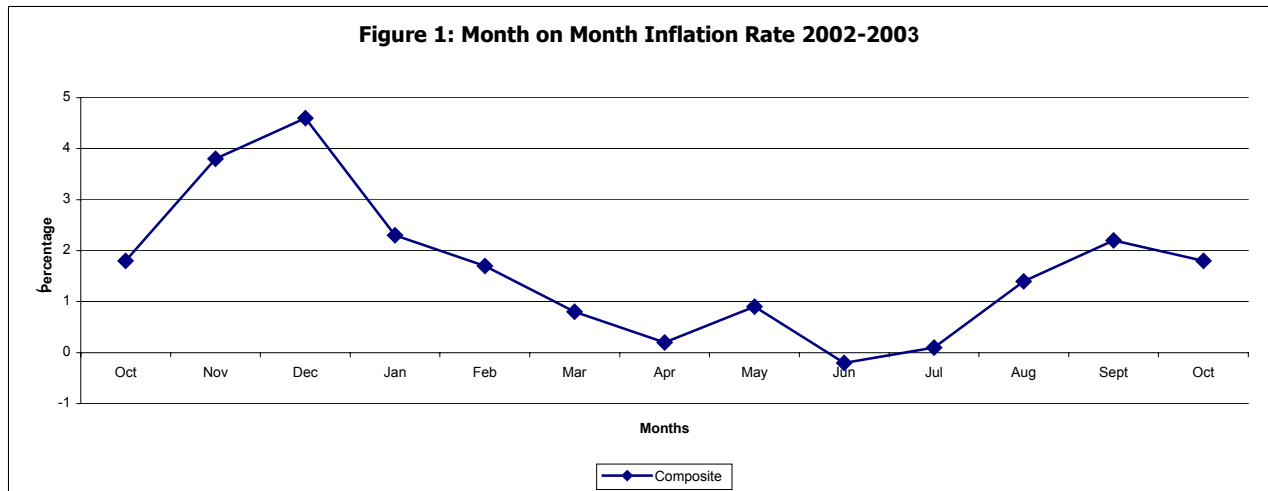
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Consumer Price Index (CPI) - October 2003

The Central Statistical Office through its monthly data collection on prices, today announced that the monthly inflation rate was recorded at 1.8 percent as at October 2003, representing a decrease of 0.4 of a percentage point on the September rate of 2.2 percent. Monthly inflation rates for the Metropolitan Low and High Income Groups were recorded at 1.7 percent while the inflation rate for the Non Metropolitan Group was recorded at 2.0 percent.



The annual rate of inflation remained unchanged at 21.1 percent in October, the same rate as in September 2003. This pattern is similar to the one observed over the same period last year when the annual rate of inflation remained unchanged from September to October. Annual inflation rates for Metropolitan Low and High Income and Non-Metropolitan Groups were recorded at 21.3, 22.7 and 20.0 percent respectively.

The upward trend in the food index has continued although it has slowed down. The food index was influenced by high prices for most food products in the month of October 2003. Price increases were observed in Meat, Vegetables, Fish and Kapenta, Oils and Fats, Milk and Milk products and other processed food commodities. Other price increases in food products were observed in Beans, Tubers and Fruits. However, price decreases were observed in a few food items although the magnitude of the price decreases was not large enough to influence the rate of inflation. There were decreases in the prices of Mealie Meal and other Cereals.

The Food index was recorded at 2.4 percent in October 2003, 0.8 of a percentage point lower than 3.2 percent recorded for September 2003. Measured on a 12-month basis, Food Inflation stood at 21.0 percent as at October 2003, decreasing by 0.2 of a percentage point on the September rate of 21.2 percent.

Price increases were observed in all Non - Food sectors although the magnitude of the increases is minimal. Examples of Non - Food items that contributed to the slight increase in the index are the increase in the prices of Petrol, Air travel, Motor Vehicles, Post Newspapers, Medical and School fees. The Non - Food index recorded a monthly increase of 1.2 percent as at October 2003, 0.1 of a percentage point higher than the September rate of 1.1 percent. Measured on an annual basis, the Non - Food inflation stood at 21.3 percent as at October 2003, 0.3 of a percentage point higher than that obtaining at September.

The average price of a 25Kg bag of Roller Meal decreased by 0.3 percent, from K25,435 in September 2003 to K25,367 in October 2003. Maize grain measured in a 20 litre tin also registered a decrease, from K12,075 in September 2003 to K11,993 in October, reflecting a decrease of 0.7 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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