

Press Release



Republic of Zambia

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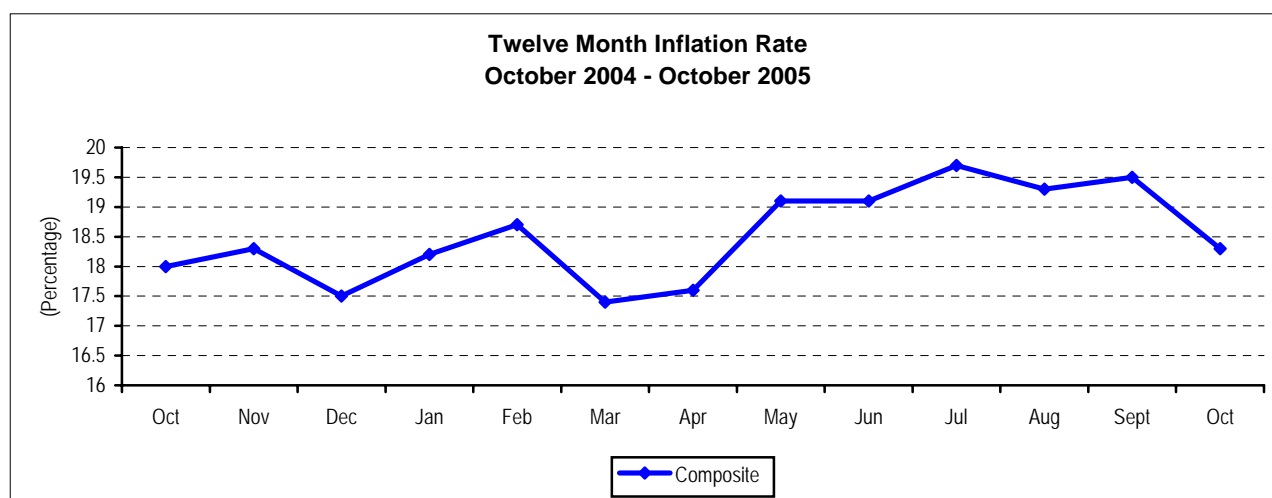
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Consumer Price Index (CPI) - October 2005

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 18.3 percent as at October 2005. This rate is 1.2 of a percentage points lower than the September rate of 19.5 percent. Compared with October 2004, the annual rate of inflation increased by 0.3 of a percentage point, from 18.0 percent in October 2004 to 18.3 percent in October 2005.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 18.2, 17.8 and 18.7 percent respectively.

Between September and October 2005, the Consumer Price Index increased by 1.1 percent.



Contributions of different Groups to overall inflation

The annual inflation rate for October 2005 is 1.2 percentage points lower than the September 2005 rate of 19.5 percent. This decline of 1.2 percentage points is accounted for by the fall in the cost of food and transport (domestic air fares and new motor vehicles). There were no shifts in the contribution of other groups to the decline in inflation between September and October 2005.

Furthermore, of the total 18.3 percent annual inflation in October 2005, increases in food prices accounted for 9.9 percentage points while non-food items in the Consumer Price Index (CPI) accounted for 8.4 percentage points.

Group	Percentage Points Contributions of different Groups to overall inflation	
	September 2005	October 2005
Food and Beverages	10.8	9.9
Clothing and Footwear	1.1	1.2
Rent, Fuel and Lighting	2.8	2.9
Furniture and Household Goods	2.0	2.0
Medical Care	0.1	0.1
Transport and Communication	1.3	0.8
Recreation and Education	0.9	0.9
Other Goods and Services	0.5	0.5
All Items	19.5	18.3

The increase in the food index was due to the increase in the cost of maize meal, maize grain, other cereals and cereal products. However, these increases were offset by falling prices for fresh vegetables, meat, kapenta, fish, eggs, dried beans and Irish potatoes.

Annual food inflation was recorded at 18.8 percent, declining by 1.9 percentage points on the September rate of 20.7 percent. From September to October 2005, the index for food increased by 1.1 percent.

Annual non-food inflation rate fell to 17.8 percent, from 18.2 percent in September 2005. A fall in the cost of airfares and motor vehicles also contributed to the decline in inflation.

A comparison of prices between September and October 2005, shows that the national average price of maize grain measured in a 20litre tin increased by 7.3 percent from K16,404 in September to K17,610 in October 2005. The national average price of a 25kg bag of breakfast meal increased by 3.1 percent from K40,557 in September to K41,813 in October 2005.

However, the national average price of 1kg of Irish potatoes declined by 9.4 percent, while the average price of 1kg of tomatoes declined by 3.1 percent. The average price of mixed cut (beef) declined by 1.2 percent, whereas the average price of Kapenta (Siavonga) fell by 0.9 percent. Furthermore, the cost of domestic airfares from Lusaka to Ndola declined by 5.5 percent.

**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
August	1214.4	1176.5	1210.3	1239.5
September	1231.2	1190.6	1232.1	1254.5
October	1244.1	1202.9	1246.5	1266.8

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
Aug 05 - Jul 05	1.5	1.7	0.8	1.8
Sep 05 - Aug 05	1.4	1.2	1.8	1.2
Oct 05 - Sep 05	1.1	1.0	1.2	1.0

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
Aug 05 - Aug 04	19.3	19.2	18.6	19.9
Sep 05 - Sep 04	19.5	19.8	18.9	19.8
Oct 05 - Oct 04	18.3	18.2	17.8	18.7

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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