

Press Release



Central Statistical Office

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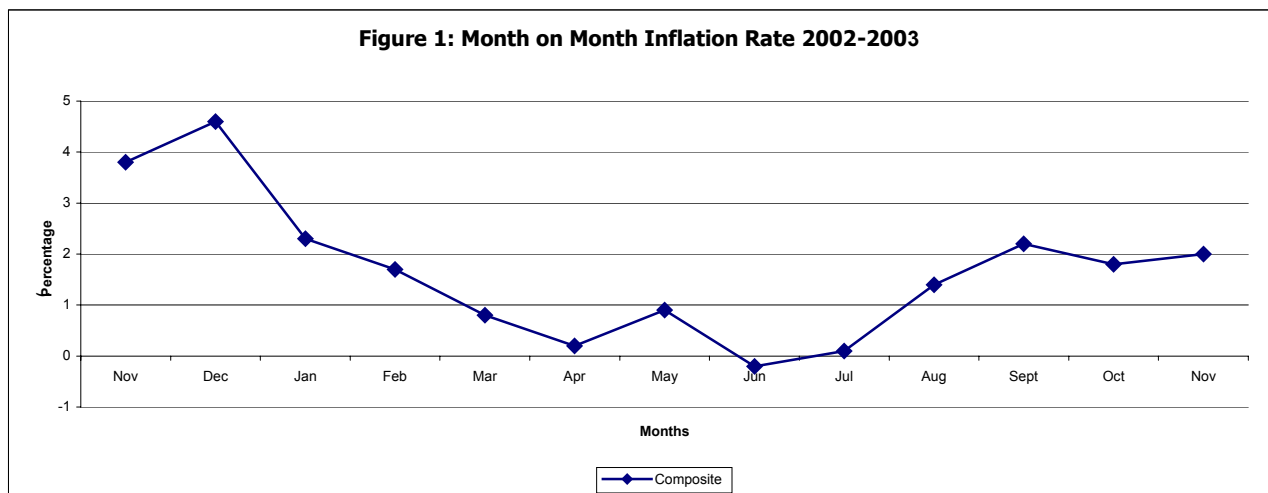
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Consumer Price Index (CPI) - November 2003

The Central Statistical Office through its monthly data collection on prices today announced that the monthly inflation rate was recorded at 2.0 percent as at November 2003, representing an increase of 0.2 of a percentage point on the October rate of 1.8 percent. Monthly inflation rates for the Metropolitan Low, High Income and Non Metropolitan Groups were recorded at 2.1, 2.2 and 1.8 percent respectively.



The annual rate of inflation recorded a significant decrease dropping by 2 percentage points from 21.1 percent in October 2003, to 19.1 percent in November 2003. Annual inflation rates for Metropolitan Low and High Income and Non-Metropolitan Groups were recorded at 18.6, 21.9 and 17.5 percent respectively.

This decline is largely due to the decrease in the food index. The food index, which showed increases in September and October, has recorded a decrease in November.

The price decreases observed for Mealie Meal and Cereals in the month of October have continued in the month of November. The monthly Food index was recorded at 1.9 percent in November 2003, 0.5 of a percentage point lower than 2.4 percent recorded for October 2003. Annual Food Inflation stood at 16.6 percent as at November 2003, decreasing by 4.4 percentage points on the October rate of 21.0 percent.

The food index was influenced by the continued decline in the prices of Mealie Meal, Maize grain and other Cereals as well as some Vegetables. Price increases were observed in Meat, Fish, Kapenta, Oils and Fats, Milk and Milk products and other processed food commodities. However, these price increases were not high enough to influence the rate of inflation in the positive direction. There were price decreases in the cost of Mealie Meal, Maize, Rice, Flour, Bread, Samp, Millet and Sorghum, Cassava meal, some Vegetables and Fruits.

The Non - Food index recorded a monthly increase of 2.2 percent as at November, a percentage point higher than the rate observed in October. The annual Non - Food index increased by 22.1 percent in November, 0.8 of a percentage point higher than the October increase. Moderate price increases were observed in some Non - Food sectors. Examples of Non - Food sectors that contributed to the slight increase in the Non – Food index are the increases in Furniture, Medical Care, Telecommunications and Personal Care. Price decreases were observed in the cost of Air Transport, Vehicles and Hotel accommodation. The drop in the cost of these services is attributed to the current lower foreign exchange rate prevailing on the foreign exchange market compared to that prevailing in October.

The average price of a 25Kg bag of Roller Meal decreased by 7.6 percent, from K25, 367 in October 2003 to K23, 449 in November 2003, while Breakfast Meal decreased by 1.1 percent, from K31, 130 in October 2003 to K30, 793 in November 2003. Maize grain measured in a 20-litre tin also registered a decrease, from K11, 993 in October 2003 to K11, 537 in November, reflecting a decrease of 3.8 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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