

Press Release



Central Statistical Office

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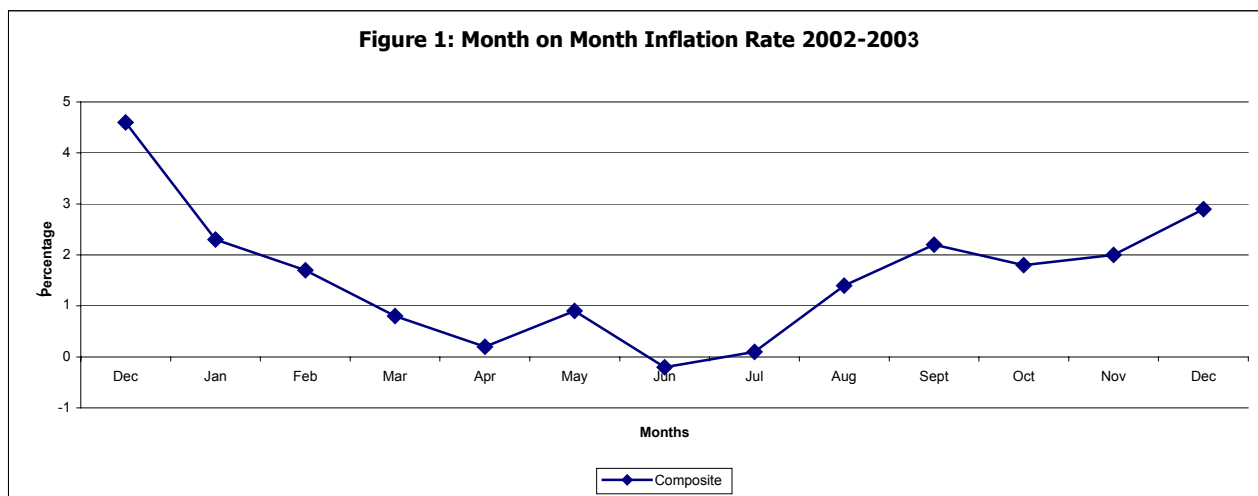
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Consumer Price Index (CPI) - December 2003

The Central Statistical Office through its monthly data collection on prices today announced that the monthly inflation rate was recorded at 2.9 percent as at December 2003, representing an increase of 0.9 of a percentage point on the November rate of 2.0 percent. Monthly inflation rates for the Metropolitan Low, High Income and Non Metropolitan Groups were recorded at 3.0, 2.0 and 3.5 percent respectively.



The annual rate of inflation recorded a significant decrease dropping by 1.9 percentage points from 19.1 percent in November 2003, to 17.2 percent in December 2003. Annual inflation rates for Metropolitan Low and High Income and Non-Metropolitan Groups were recorded at 15.8, 19.8 and 16.3 percent respectively.

The increase in the monthly inflation rates was largely due to the increase in the monthly food index. The monthly food index, which showed a decrease in November, has recorded an increase in December. There were marginal increases in the prices of Mealie Meal and other Cereals breaking the downward trend in cost of Mealie Meal and other Cereals observed in the preceding months. The monthly Food index was recorded at 3.5 percent in December 2003, 2.6 of percentage points higher than 1.9 percent recorded for November 2003. Annual Food Inflation stood at 13.5 percent as at December 2003, decreasing by 3.1 percentage points on the November rate of 16.6 percent.

The monthly food index was influenced by the moderately higher prices in the cost of Mealie Meal, Maize grain and other Cereals, Meat, Fresh Kapenta, Dried Fish, Fruits, Oils and Fats as well as other processed food commodities. However, these price increases were counteracted by significant price decreases in the cost of Fresh Fish, Dried Kapenta, Milk and Milk products and Vegetables.

The monthly Non - Food index recorded an increase of 2.2 percent, remaining unchanged from the rate observed the previous month, while the annual Non - Food index increased by 21.7 percent in December, 0.4 of a percentage point lower than the November increase. Moderate price increases were observed in most Non - Food sectors. Price decreases were observed in the month of November in the cost of Air Transport, Hotel accommodation, Motor Vehicles and Cycles. These price decreases have continued in the month of December in the cost of these commodities. This drop is attributed to the current lower foreign exchange rate prevailing on the foreign exchange market compared to that prevailing in previous months.

The average price of a 25Kg bag of Roller Meal increased by 3.2 percent, from K23, 449 in November 2003 to K24, 204 in December 2003, while Breakfast Meal increased marginally by 0.1 percent, from K30, 130 in November 2003 to K30, 819 in December 2003. Maize grain measured in a 20-litre tin also registered an increase, from K11, 537 in November 2003 to K12, 670 in December, reflecting an increase of 9.8 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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