

# Press Release



Republic of Zambia

Central Statistical Office

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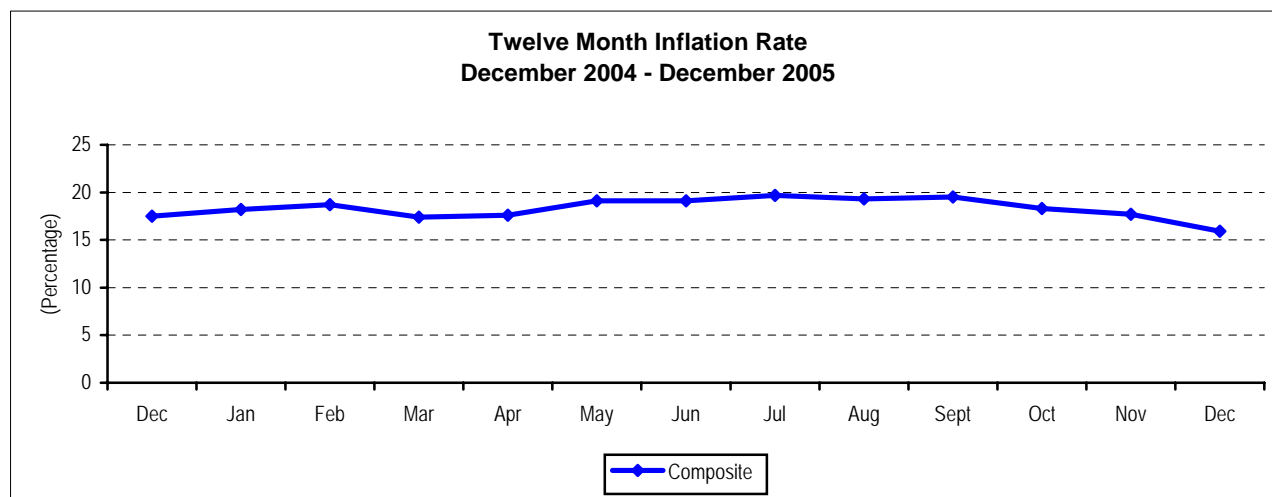
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## Consumer Price Index (CPI) - December 2005

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 15.9 percent as at December 2005. This rate is 1.3 percentage points lower than the November rate of 17.2 percent. Compared with December 2004, the annual rate of inflation declined by 1.6 percentage points, from 17.5 percent in December 2004 to 15.9 percent in December 2005.

This means that prices as measured by the all items Consumer Price Index (CPI) increased by an average of 15.9 percent between December 2004 and December 2005.



## Contributions of different Groups to overall inflation

The annual inflation rate for December 2005 is 1.3 percentage points lower than the November 2005 rate of 17.2 percent. This decline of 1.3 percentage points is largely accounted for by the fall in the cost of fuel, air fares and new motor vehicles (0.7 of a percentage point), food and beverages (0.3 of a percentage point), rent and household energy (0.2 of a percentage point), other goods and services (0.1 of a percentage point).

Furthermore, of the total 15.9 percent annual inflation in December 2005, increases in food prices accounted for 9.3 percentage points while non-food items in the Consumer Price Index (CPI) accounted for 6.6 percentage points.

Group	Percentage Points Contributions of different Groups to overall inflation	
	November	December
Food and Beverages	9.6	9.3
Clothing and Footwear	1.1	1.1
Rent and household energy	2.8	2.6
Furniture and Household Goods	1.8	1.8
Medical Care	0.1	0.1
Transport (fuel, air fares, new motor vehicles)	0.4	-0.3
Recreation and Education	0.9	0.9
Other Goods and Services	0.5	0.4
<b>All Items</b>	<b>17.2</b>	<b>15.9</b>

Annual food inflation was recorded at 17.5 percent, declining by 0.8 of a percentage point on the November rate of 18.3 percent. Measured on month-to-month basis, the rate of inflation was 2.4 percent. Contributing most to the this increase were rises in the cost of maize meal, maize grain, fresh vegetables, dried beans, shelled groundnuts, irish and sweet potatoes.

Price declines were however recorded for meat, chicken, cereals and kapenta.

Annual non-food inflation rate fell to 14.0 percent, from 16.1 percent in November 2005. A fall in the cost of fuel, airfares, new motor vehicles, household fuel, and hotel accommodation was a result of the appreciation of the kwacha.

A comparison of prices between November and December 2005, shows that the national average price of 1litre of petrol declined by 4.1 percent, from K6,287 to K6,028. The cost of domestic airfares from Lusaka to Ndola decreased by 17.6 percent, from K531,250 in November to K437,500 in December 2005.

Furthermore, the cost of hotel accommodation (3-5 star) for one person/per night declined by 22.1 percent.

**TABLE 1: INDEX NUMBERS OF CONSUMER PRICES BY INCOME GROUP  
(1994 WEIGHTS)**

1994 = 100

<b>Period</b>	<b>Total</b>	<b>Metropolitan Low Income Group</b>	<b>Metropolitan High Income Group</b>	<b>Non Metropolitan Group</b>
<b>Weight</b>	<b>1000</b>	<b>261</b>	<b>295</b>	<b>444</b>
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
November	1260.6	1224.6	1254.1	1286.1
December	1273.2	1245.9	1249.5	1305.0

**TABLE 2: MONTH ON MONTH INFLATION RATES**

Percent

<b>Period</b>	<b>Total</b>	<b>Metropolitan Low Income Group</b>	<b>Metropolitan High Income Group</b>	<b>Non Metropolitan Group</b>
<b>Weight</b>	<b>1000</b>	<b>261</b>	<b>295</b>	<b>444</b>
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
Nov 05 - Oct 05	1.3	1.8	0.6	1.5
Dec 05 - Nov 05	1.0	1.7	-0.4	1.5

**TABLE 3: TWELVE MONTH INFLATION RATES**

Percent

<b>Period</b>	<b>Total</b>	<b>Metropolitan Low Income Group</b>	<b>Metropolitan High Income Group</b>	<b>Non Metropolitan Group</b>
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
Nov 05 - Nov 04	17.2	17.7	16.1	17.7
Dec 05 - Dec 04	15.9	16.6	14.4	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 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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