Republic of Zambia

The Monthly

Central Statistical Office

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Economic Indicators

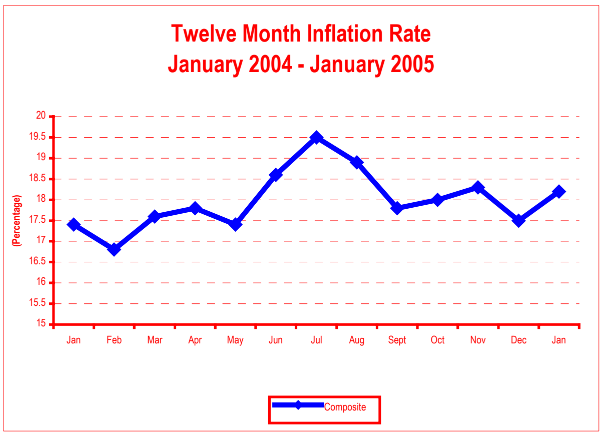
Serving Your Data Needs

January Inflation shoots up!

The annual rate of inflation was recorded at 18.2 percent as at January 2005. This rate is 0.7 of a percentage point higher than the December 2004 rate of 17.5 percent. Compared with January 2004, the annual rate of inflation increased by 0.8 of a percentage point, from 17.4 percent in January 2004 to 18.2 percent in January 2005.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 17.6, 18.8 and 18.2 percent, respectively.

Between December 2004 and January 2005, the Consumer Price Index increased by 3.2 percent.



Source: *CSO, Consumer Price Index, January 2005*

Contributions of different items to overall inflation

The annual inflation rate for January is 0.7 of a percentage point higher than the December 2004 rate of 17.5 percent. This increase of 0.7 of a percentage point is accounted for by food, beverages and tobacco. There were no significant shifts in the contribution of other groups to the increase in inflation between December 2004 and January 2005.

Further more, of the total 18.2 percent annual inflation in January 2005, increases in food prices accounted for 9.6 percentage points while non-food items in the CPI accounted for 8.6 percentage points.

Items	Percentage Points Contributions of different Groups to overall inflation	
	December 2004	January 2005
Food Beverages and Tobacco	8.8	9.6
Clothing and Footwear	1.4	1.3
Rent , Fuel and Lighting	1.7	1.8
Furniture and Household Goods	2.0	2.0
Medical Care	0.1	0.1
Transport and Communication	1.9	1.9
Recreation and Education	1.1	0.9
Other Goods and Services	0.5	0.6
All Items	**17.5**	**18.2**

Source: *CSO, Consumer Price Index, January 2005*

Your Monthly Food Basket

*The food basket as at January 2005 was **K640,982** for a family of six. The same family on average was expected to live on **K920,441** for all their food & basic needs.*

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Higher Food Prices influence January Inflation

Relatively higher food prices accounted for the higher inflation level recorded during January 2005. Higher prices were recorded for most food items including maize meal, maize grain, other cereals, fresh meat, eggs, fresh vegetables, dried kapenta, dried beans, fresh fruits, sweet and irish potatoes.

Annual food inflation was recorded at 17.9 percent, increasing by 1.6 percentage points on the December, 2004 rate of 16.3 percent. From December 2004 to January 2005, the index for food increased by 3.7 percent.

Annual non-food inflation rate stood at 18.7 percent, declining by 0.2 of a percentage point on the December 2004 rate of 18.9 percent. Between December 2004 and January 2005, the non-food index increased by 2.7 percent.

Maize Grain Prices continue to rise

A comparison of prices between December 2004 and January 2005, shows that the average price of a 25kg bag of roller meal increased by 7.7 percent from K25,220 in December 2004 to K27,156 in January 2005. The average price of maize grain measured in a 20litre tin increased by 7.4 percent. The average price of 1Kg of rape vegetable increased by 43.5 percent, while the average price of Kapenta (Siavonga) went up by 9.2 percent.

National Average Prices for Selected Products

Product	December 2004	January 2005	Percentage Change (%)
White breakfast 25kg	33,111	34,679	4.7
White Roller 25Kg	25,220	27,156	7.7
Samp 1 Kg	3,146	3,964	26.0
White Maize 20 litre tin	13,090	14,055	7.4
Mince Meat 1 Kg	16,271	16,597	2.0
Beef Sausages 1 Kg	16,336	16,439	0.6
Ox-liver 1 Kg	16,444	16,868	2.6
Dried Kapenta Mpulungu 1kg	30,488	32,312	6.0
Dried Kapenta Siavonga 1kg	29,635	32,373	9.2
Cabbage 1kg	984	1,251	27.1
Onion 1kg	3,040	3,379	11.2
Tomatoes 1kg	1,846	2,575	39.5
Rape 1kg	1,619	2,324	43.5
Dried beans 1kg	4,760	5,043	5.9
Petrol Premium 1 litre	5,458	5,300	-2.9
Diesel 1 litre	4,940	4,824	-2.3
Times of Zambia News paper	2,500	3,000	20.0

International Merchandize Trade

Exports continue to increase!

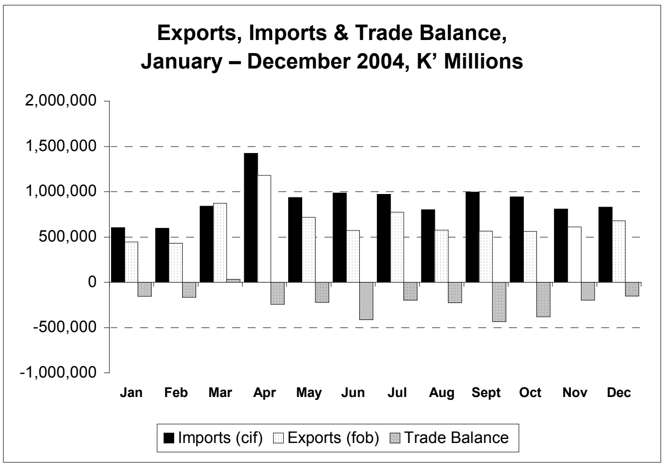
The total value of exports in December 2004 was K676,979 million as compared to K615,985 million in November 2004, which was equivalent to a 9 percent increase. However, imports also showed a slight increase of about 2 percent in their total value, recording K815,324 million in November as compared to K828,980 million in December 2004. The net effect of these movements in terms of trade led to a notable drop in the trade deficit from K199,339 million in November to K152,001 million in December 2004. This indicates an improvement in trade in December over the month of November 2004.

Total Exports, Imports & Trade Balance, January to December 2004, (K' Millions)

Month	Imports (cif)	Exports (fob)	Trade Balance
Jan-04	603,256	446,968	-156,288
Feb-04	597,537	432,756	-164,781
Mar-04	841,038	871,871	30,833
Apr-04	1,424,828	1,180,297	-244,531
May-04	937,262	716,064	-221,198
Jun-04	985,974	571,784	-414,190
Jul-04	971,082	773,976	-197,106
Aug-04	800,572	575,147	-225,425
Sept-04	998,059	564,843	-433,216
Oct-04	943,949	563,264	-380,685
Nov-04*	*815,324*	***615,985***	***-199,339***
Dec-04*	*828,980*	***676,979***	***-152,001***
TOTAL:	**10,747,861**	**7,989,934**	**-2,757,927**

Note: (*) Provisional
(cif)* Cost, Insurance and Freight
(fob)* Free on Board
Source: *CSO, International Trade Statistics, 2004*

In the total value of exports for both November and December 2004, the share of Domestic exports was about 99 percent; with re-exports accounting for the remaining share (1%).



Source: *CSO, International Trade Statistics, 2004*

The high inflow of revenue from exports between November and December could mainly be attributed to the increase in export values of refined copper – plates and sheets of copper, cobalt (cobalt and its articles), cereals (maize mainly), cotton yarn and tobacco. These products accounted for over 80 percent in terms of the export values in both November and December 2004.

SADC continues to beat COMESA in Export Shares

The major destination of Zambia's exports between November and December 2004 was SADC accounting for the largest market shares of about 46 and 53 percent of the total export value in November and December 2004 respectively. The main trading partner within SADC was South Africa accounting for 53 percent in terms of exports.

Zambia's Major Trading Partners COMESA, SADC and EU, November - December, 2004, K' Millions

Region	November				December			
	Exports	Share (%)	Imports	Share (%)	Exports	Share (%)	Imports	Share (%)
COMESA	92,789	15	64,798	8	96,205	14	75,071	9
SADC	282,403	46	485,473	60	356,801	53	486,523	59
EU	170,735	28	186,063	23	159,490	24	223,587	27
Other	70,058	11	78,990	10	64,483	10	43,799	5
World Total	**615,985**		**815,324**		**676,979**		**828,980**	

Note: (**) Provisional
Source: *CSO, International Trade Statistics, 2004*

The European Union was another important outlet of Zambia's exports. The EU had the second largest market shares in terms of exports accounting for 28 percent in November as compared to 24 percent in December 2004. Within the EU, the dominant outlet was United Kingdom, accounting for the largest market share (65 percent). Other EU major trading partners included Belgium, France and Germany.

The COMESA countries were also important outlets of Zambia's products. Their average market share was about 15 percent for the period November to December 2004. Within COMESA, Zimbabwe and Congo (DR) had the largest market shares accounting for over 40 percent of the total value of exports to the region.

South Africa leads in Zambia's Import Shares

Zambia's overall trade during the period November to December 2004 was mainly concentrated in SADC, COMESA and EU. The Asian market was equally an important market. The major source of Zambia's imports was the SADC region, dominating the market with about 60 percent share. Again South Africa accounted for the largest proportion (82 percent). Other regional markets included Congo (DR), Tanzania and Malawi. These four countries constituted over 90 percent of the total SADC market share.

The EU had the second largest market shares in terms of imports accounting for 27 percent in December 2004 as compared 23 percent in November 2004. The major source of imports within the EU was still the United Kingdom, accounting for 67 percent of the market share. Other markets included Belgium, Holland, Denmark, France and Germany.

The COMESA market was also another market that supplemented Zambia's imports; with an average share of about 8 percent in the total import value.

Household Expenditure

Zambian Households spend nearly K500,000 per Month

The Living Conditions Monitoring Survey (LCMS III) 2002/2003 results indicated that the average monthly household expenditure for Zambia was K490,530 with an average per capita expenditure of K111,444. Total average monthly household expenditure, on both food and non- food items, as well as per capita expenditure were lower among the rural households, K386,676 and K87,911 respectively, as compared to K695,340 and K157,853 for the urban households.

Disaggregating rural households by scale of agricultural activities reveals that the small scale farming households had the lowest monthly expenditure followed by the non agricultural households with K377,001 and K453,018 respectively, while the large scale farmers had about four times as much expenditure of K1,869,494.

Average Monthly Expenditure (Kwacha), by Rural/Urban, Stratum and Province, Zambia, 2002/2003

Residence/Stratum/ Province	Monthly average expenditure on Food	Monthly average expenditure on non Food	Monthly average expenditure on rent	Monthly average expenditure on both food and non food	Monthly average per capital expenditure	Households
All Zambia	317,585	115,536	44,283	490,530	111,444	2,004,613
Rural	292,887	70,596	14,330	386,676	87,911	1,330,132
Urban	366,291	203,964	103,352	695,340	157,853	67,4481
Stratum						
Small scale Farmers	290,532	65,016	12,763	377,001	83,561	1,230,692
Medium scale Farmers	514,812	213,443	17,336	759,491	101,663	14,022
Large Scale Farmers	706,819	786,572	260,454	1869,494	319,090	715
Non agricultural households	286,862	122,322	34,526	453,018	146,879	84,703
Urban low cost	322,428	115,545	56,530	508,553	111,358	533,319
Urban middle Cost	453,717	310,300	157,245	944,928	198,500	64,072
Urban High cost	597,081	729,123	382,478	1780,115	445,729	77,090

Zambians spend nearly two-thirds of their income on Food

Results from the survey also showed that most of the households' income was spent on food, (64 percent) while 26 percent was spent on non-food items and 10 percent was spent on rentals.

The results further showed that 75 percent of the household expenditure in rural areas was on food items while in urban areas it was 52 percent. The percentage share of food is an indicator of household welfare. The lower the share of the household expenditure on food, the better off is the household. In terms of percentage share of the household budget expenditure on food, bread and cereals recorded the highest share at 21 percent followed by vegetables at 14 percent.

Percent Distribution of Household Expenditure by Various Expenditure Items, Residence and Province, Zambia, 2002/2003

Residence/Stratum/Province	Percentage share on Food	Percentage share on non food	Percentage share on Rental	Total%	Household
All Zambia	64	26	10	100	2,00,4613
Rural	75	20	4	100	1,330,132
Urban	52	32	16	100	674,481
Stratum					
Small scale	77	19	4	100	1,230,692
Medium scale	67	30	2	100	14,022
Large Scale Farmers	38	48	14	100	715
Non agricultural Households	62	30	8	100	84,703
Urban low cost	63	25	12	100	533,319
Urban medium Cost	47	35	17	100	64,072
Urban High cost	33	45	22	100	77,090
Province					
Central	76	19	4	100	194,811
Copperbelt	55	30	15	100	315,239
Eastern	73	23	5	100	276,217
Luapula	75	19	6	100	169,574
Lusaka	46	37	16	100	270,743
Northern	75	19	6	100	271,068
North-Western	78	17	5	100	117,537
Southern	67	26	8	100	224,702
Western	79	15	6	100	164,722

At provincial level households in Western province recorded the highest expenditure on food items at 79 percent while those in Lusaka recorded the least expenditure at 46 percent. Households in Lusaka province spent the highest (37 percent) on non-food items while those in Western province spent the least (15 percent). Lusaka province recorded the highest expenditure on rentals (16 percent) followed by Copperbelt province (15 percent). Central province had the least expenditure (4 percent) on rentals.

Bread and cereals recorded the highest household expenditure in both rural and urban areas ((26 an 16 percent respectively). This was followed by expenditure on vegetables (20 and 8 percent for rural and urban areas respectively). Households in urban areas spent 8 percent of their household income on meat products. Expenditure on non-food items by urban households was higher than by rural households (32 percent and 20 percent, respectively).

Labour Statistics

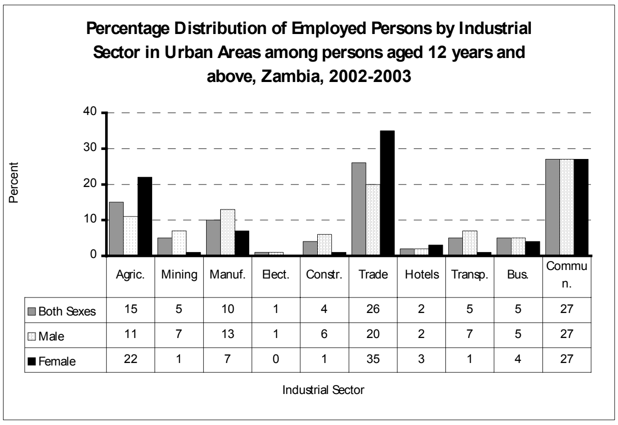
Services Sector employs more People in Urban Areas

The results of the living Conditions Monitoring Survey (LCMSIII) 2002/2003 showed that at national level, the majority of the persons in the labour force were engaged in Agriculture, Forestry and Fisheries accounting for 72 percent of all employed persons. The second most popular industrial sectors of employment were the Trade and Community, Social and Personal Services, with each accounting for 9 percent of all employed persons.

Looking at the percentage distribution of employed persons by residence, the results showed that the agricultural sector accounted for 93 percent of all employed persons in rural areas. Sex differentials show that 95 percent of all females were employed in the Agricultural sector, 5 percentage points more than the males (90 percent).

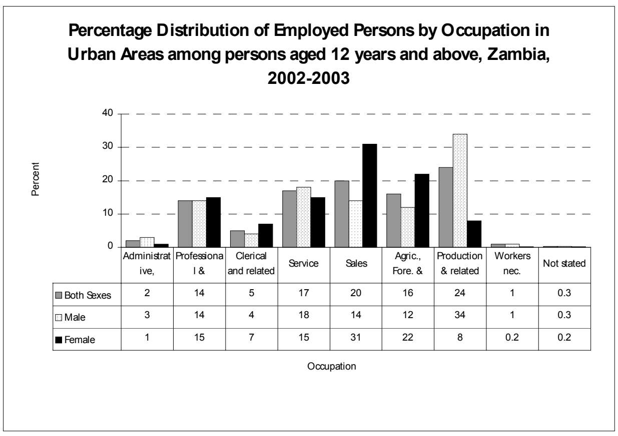
By comparison, the percentage distribution of employed persons in urban areas was more evenly spread across industrial sectors. The Community, Social and Personal Services industrial sector accounted for the largest proportion of employed persons with 27 percent.

The second most popular sector of employment was Trade with 26 percent of all employed persons in urban areas. The Agricultural sector accounted for 15 percent of urban employment. Females were predominantly engaged in trading while males were predominantly engaged in Community, Social and Personal Services accounting for 35 and 27 percent respectively.



Agriculture Sector to employ more Zambians

Analysis of the distribution of the labour force by occupation showed that at national level, the occupations in Agriculture were the most predominant accounting for 72 percent of all employed persons while Administrative and Managerial occupations were the least accounting for 1 percent of the employed population.



The most common occupation in urban areas was Production and related services. Overall, 24 percent of all employed persons in urban areas were in Production and related services. Of all males employed in urban areas, 34 percent were working in production related occupations, as were 8 percent of all females. Of the total urban females employed, 31 percent were working in sales related occupations, as were 14 percent of all males.

Private Sector only employs 10% Zambians

Sixty percent of all employed persons were self-employed, while 20 percent were unpaid family workers. Private sector employment accounted for 10 percent of all employed persons, while the Central Government accounted for 5 percent. Sex differentials indicate that a large proportion of both males and females were predominantly working as self-employed persons, accounting for 63 and 57 percent respectively. However, among males, 15 percent were employed in the private sector while among the females, 4 percent were employed in the private sector. A relatively large proportion of females (32 percent) were unpaid family workers.

Percentage distribution of employed persons aged 12 years and above by employment status, Zambia 2002-2003

Employment Status	Total			Rural			Urban			Total number of employed persons
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	
All Zambia	100	100	100	100	100	100	100	100	100	3,517,371
Self employed	60	63	**57**	67	77	57	40	32	54	2,099,345
Government employee	5	6	4	2	3	1	14	14	14	173,421
Local Govt employee	0	1	0	0	0	0	1	2	1	17,378
Parastatal employee	1	2	0	0	0	0	4	6	2	46,627
Private Sector Employee	10	15	4	3	5	1	27	35	15	343,678
NGO employee	0	0	0	0	0	0	1	1	1	9,951
Embassy employee	0	0	0	0	0	0	0	0	0	4,555
Employer	0	0	0	0	0	0	0	0	0	1,245
Household employee	2	2	2	1	1	0	5	4	6	61,895
Unpaid Family Worker	20	8	32	26	12	39	3	1	5	690,697
Piece worker	2	3	1	1	2	0	4	5	1	58,399
Other	0	0	0	0	0	0	0	0	0	6,794

Of all employed persons in rural areas, 67 percent were working as self-employed persons, while 26 percent were unpaid family workers. Among the males working in rural areas, 77 percent were self-employed and 12 percent were working as unpaid family workers. In contrast, 57 percent of the females working in rural areas were self-employed and 39 percent were unpaid family workers.

Of all employed persons in urban areas, 40 percent were self-employed, 27 percent were working in the private sector and 14 percent were working for the Central Government. Individuals working in private households accounted for 5 percent of all persons working in the urban areas. Sex differentials showed that more females (54 percent) than males (32 percent) were self employed.

Thirty-five percent of all males employed in urban areas were in the private sector while 6 percent were in the parastatal sector. Similarly, 15 percent of all females employed in urban areas were in the private sector, 2 percent were in the parastatal sector while 14 percent were working for the Central Government.

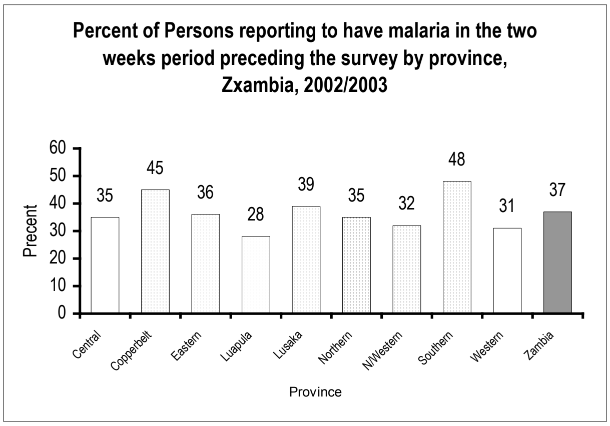
Social Indicators

Southern Province leads in Malaria illness

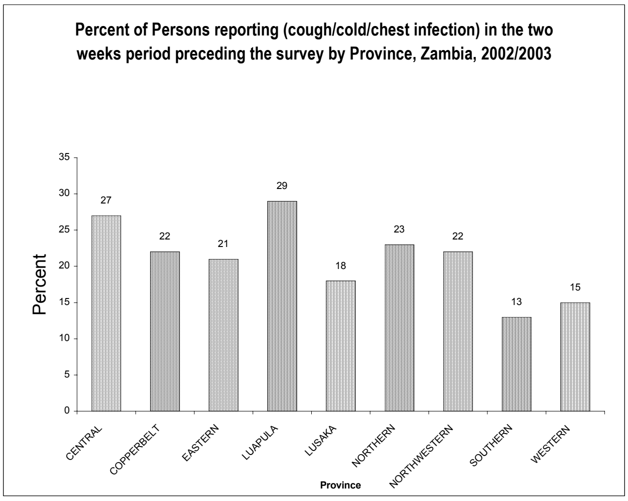
According to the 2002/2003 Living Conditions Monitory Survey (LCMS III), malaria/fever was the most common illness with 37 percent of respondents reporting to have had malaria/fever in the two weeks prior to the survey. This was followed by the prevalence of cough/cold/chest infections at 21 percent.

Furthermore, the survey revealed that malaria was prevalent in both rural and urban areas at 43 and 35 percent respectively. The other reported illnesses were ordinary headaches, diarrhoea without blood, abdominal pains and eye infections.

Results at provincial level showed that Southern province had the highest prevalence of malaria at 48 percent, followed by Copperbelt province at 45 percent. Luapula province recorded the least prevalence at 28 percent. Overall, all the provinces had more than a quarter of their populations reported to have had suffered from malaria.

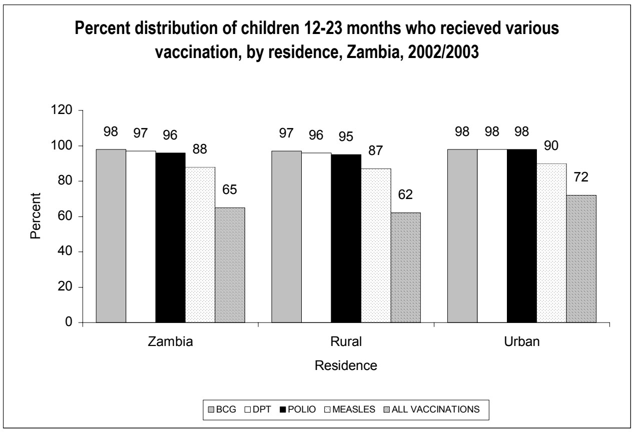


Cough/cold/chest infection was recorded to be higher in Luapula province with 29 percent followed by Central province with 27 percent and Southern province recorded the least prevalence at 13.



Urban Children favoured in Vaccinations

During LCMS III survey 2002/2003, information on childhood immunisation was obtained for all under five children. To be considered fully vaccinated, a child should have received one dose of BCG; three doses each of DPT and polio vaccines and one dose of measles vaccine. The World Health Organization (WHO) recommends that a child should complete the schedule of vaccinations before the age of 12 months.



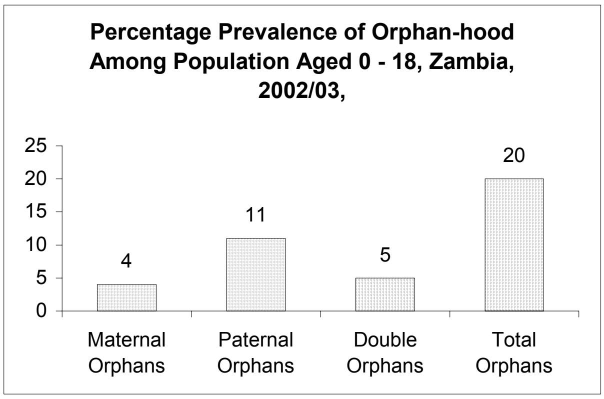
About 72 percent of the children had their vaccination cards/clinic cards available at the time of the survey. Information from both the cards and mothers' reports showed that at national level 65 percent of the children aged 12-23 months had received full vaccination.

There was no notable difference in vaccination coverage by sex of the child (66 percent female and 63 percent male children had been fully vaccinated). Ninety-eight percent of children had received the BCG vaccine, 97 percent and 96 percent had received three doses each of DPT and Polio respectively. The coverage rate for measles was 88 percent. It is worth noting that although measles recorded an impressive coverage of 88 percent at national level, it was not as good when compared to coverage for BCG, DPT and Polio, all of which recorded over 95 percent coverage.

Urban children had better vaccination coverage compared to rural children. Seventy-two percent of urban children had been fully vaccinated compared to 62 percent of children in rural areas.

One in five Zambian children are Orphans

In Zambia, 20 percent of all children below the age of 19 years were orphans, reveals the Living Conditions Monitoring Survey 2002/3. Of all orphaned children, 4 percent were maternal orphans, 11 percent were paternal orphans and 5 percent were double orphans. In all the provinces and age groups, paternal orphans were predominant, taking the largest proportion.



Survey confirms strong link between Poverty and Orphan hood

Orphans were more likely to be from extremely poor households than from the moderately or non-poor households. Of the total orphans, 50 percent were from extremely poor households, 20.6 percent from moderately poor and 29.4 percent from non-poor households.

Distribution of orphans by type of orphan and poverty status 2002-2003

Poverty Status	Orphan hood Status				
	Total Orphans	Maternal Orphans	Paternal Orphans	Double Orphans	Non Orphans
Extremely Poor	50.0	54.0	52.0	44.0	49.3
Moderately Poor	20.6	20.0	20.0	22.0	21.3
Not Poor	29.4	26.0	28.0	34.0	29.4
Total Percent	100.0	100.0	100.0	100.0	100.0

Orphans discontinue school due to Lack of Financial Support

During the survey, reasons as to why orphans aged between 7 to 18 years discontinued school were reported. Lack of financial support was cited as the main reason for discontinuing school. Other reasons included not being selected or failed to get a place and that there was no need to continue schooling or that school was not important. The least common reasons reported included pregnancies and the need to help out at home.

Reasons of Discontinuing School

Main Reason For Discontinuing School	Maternal Orphans		Paternal Orphans		Double Orphans	
	7-13	14-18	7-13	14-18	7-13	14-18

Not Selected/ Failed to get school place	4	20	7	13	10	18
Pregnant	0	3	0	5	3	3
No need to continue school	15	9	6	11	5	6
School not important	13	10	9	5	6	5
Lack of financial Support	54	45	61	3	65	58
Need to help out at Home	0	1	6	4	0	3
Illness/injury/disability	6	1	0	2	6	0
Other	8	11	7	5	6	7
Total	100	100	100	100	100	100

The Layman and Statistics

BCG: This is vaccination against tuberculosis. It is given to infants as soon as they are born.

DPT: This is a vaccination against Tetanus.

Maternal Orphan: This is a child aged below 19 years who has lost a mother only.

Paternal Orphan: This is a child aged below 19 years who has lost a father only.

Double Orphan: This is a child aged below 19 years who has lost both a mother and a father.

The Editorial team would like to thank all media institutions and users of

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