



Republic of Zambia

The Monthly

Central Statistical Office

Volume 28

Website: www.zamstats.gov.zm

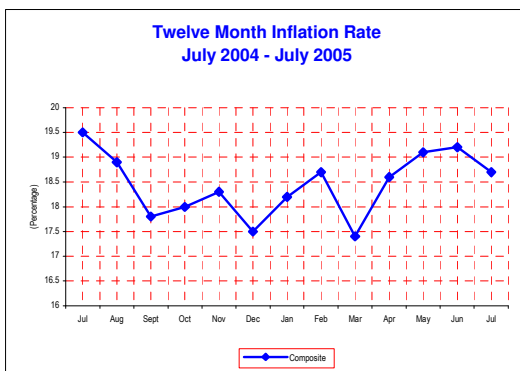
July, 2005

Economic Indicators

July Inflation declines

The annual rate of inflation was recorded at 18.7 percent as at July 2005. This rate is 0.5 of a percentage point lower than the June rate of 19.2 percent. Compared with July 2004, the annual rate of inflation declined by 0.8 of a percentage point, from 19.5 percent in July 2004 to 18.7 percent in July 2005.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 17.5, 19.2 and 19.0 percent respectively.



Source: CSO, Consumer Price Index, July 2005

Contributions of different items to overall inflation

The decline of 0.5 of a percentage point is accounted for by food and beverages, and transport groups. There were no significant

shifts in the contribution of other groups to the decrease in inflation between June and July 2005.

Furthermore, of the total 18.7 percent annual inflation in July 2005, increases in food prices accounted for 9.8 percentage points while non-food items in the CPI accounted for 8.9 percentage points.

Items	Percentage Points Contributions of different items to overall inflation						
	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	July-05
Food Beverages and Tobacco	9.6	9.8	8.6	9.6	10.1	10.1	9.8
Clothing and Footwear	1.3	1.2	1.1	1.0	1.0	1.1	1.0
Rent, Fuel and Lighting	1.8	2.2	2.1	2.5	2.4	2.7	2.8
Furniture and Household Goods	2.0	2.0	2.0	2.0	1.9	1.9	2.0
Medical Care	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transport and Communication	1.9	1.9	2.0	1.9	2.1	1.8	1.5
Recreation and Education	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Other Goods and Services	0.6	0.6	0.6	0.6	0.6	0.6	0.6
All Items	18.2	18.7	17.4	18.6	19.1	19.2	18.7

Source: CSO, Consumer Price Index, July 2005

Food prices influence July inflation

Marginal price increases were recorded for maize meal, maize grain, dried beans, kapenta, eggs, shelled groundnuts, sweet potatoes, irish potatoes, millet and sorghum. Partially offsetting these increases were declines in the cost of fresh vegetables, cassava meal, chicken and fresh meat.

Annual food inflation was recorded at 18.7 percent, down by 0.6 of a percentage point on the June rate of 19.3 percent. From June to July 2005, the index for food changed by - 0.1 percent.

Your Monthly Food Basket

The food basket as at July 2005 was **K676,187** for a family of six. The same family on average was expected to live on **K970,995** for all their food & basic needs.

Serving Your Data Needs

Annual non-food inflation rate stood at 18.7 percent, declining by 0.5 of a percentage point on the June rate of 19.2 percent. Between June and July 2005, the non-food index increased by 0.5 percent. This increase was mainly due to the rise in the cost of house rent and household appliances.

Maize meal records marginal price increase

A comparison of prices between June and July 2005, shows that the average price of a 25kg bag of breakfast meal increased by 0.9 percent from K36, 443 in June to K36, 780 in July 2005. The average price of 1kg of dried bream declined by 8.9 percent, while the average price of 1kg of rape vegetables declined by 11.3 percent.

The average price of maize grain measured in a 20litre tin recorded an increase of 3.7 percent, from K13,272 in June to K13,766 in July 2005.

National Average Prices for Selected Products and Months

Product Description	2005							Percentage Changes	
	January	February	March	April	May	June	July	Jul/Jan	Jul/Jan
White breakfast 25 Kg	34,679	35,826	35,704	35,760	35,885	36,443	36,780	6.1	0.9
White Roller 25Kg	27,156	28,365	28,282	28,497	28,393	27,966	28,668	5.6	2.5
White Maize 20 litre tin	14,055	15,377	15,853	14,146	12,892	13,272	13,766	-2.1	3.7
Millet 5 litre tin	4,605	4,571	4,741	5,805	4,873	4,806	6,214	34.9	29.3
Sorghum 5 litre tin	3,415	3,672	4,140	4,355	3,919	3,399	3,622	6.1	6.6
Cassava meal 1Kg	2,425	2,373	2,850	2,582	1,917	2,491	2,127	-12.3	-14.6
Brisket 1 Kg	14,389	14,416	14,338	14,411	14,184	14,201	14,165	-1.6	-0.3
Mixed Cut 1 Kg	13,540	13,243	13,220	13,384	13,203	13,272	13,007	-3.9	-2.0
Ox-liver 1 Kg	16,868	16,928	16,741	16,783	16,872	16,509	16,073	-4.7	-2.6
Dressed chicken 1 Kg	13,575	13,535	13,177	13,172	12,997	12,434	11,924	-12.2	-4.1
Dried Kapenta Mpulungu 1Kg	32,312	32,913	32,522	30,591	33,130	32,670	32,670	1.1	0.0
Dried Kapenta Siavonga 1Kg	32,373	32,931	34,412	34,606	34,228	34,566	34,589	6.8	0.1
Dried bream 1 Kg	26,842	26,894	24,935	25,041	22,471	24,053	24,753	-7.8	2.9
Cabbage 1kg	1,251	1,229	1,226	1,280	1,339	1,286	1,381	10.4	7.4
Rape 1kg	2,324	1,844	1,798	2,002	1,840	1,944	1,725	-25.8	-11.3
Dried beans 1kg	5,043	4,968	4,927	5,362	5,337	5,007	5,213	3.4	4.1
Eggs 1 unit	5,939	6,086	6,086	5,906	5,810	5,888	5,916	-0.4	0.5
Shelled ground nuts 1 Kg	5,513	5,489	5,585	5,505	5,283	5,180	5,253	-4.7	1.4
Irish potatoes 1Kg	2,930	2,656	2,551	2,611	2,530	2,742	2,874	-1.9	4.8
Sweet potatoes 1 Kg	1,047	1,050	1,186	1,296	1,142	1,216	1,318	25.9	8.4
Paraffin 1 litre	3,798	3,488	3,615	3,819	4,147	4,193	4,101	8.0	-2.2
Petrol Premium 1 litre	5,300	4,896	5,186	5,619	5,856	5,714	5,561	4.9	-2.7
Diesel 1 litre	4,824	4,500	4,590	4,749	5,099	5,069	5,005	3.8	-1.3
Air Fare Lusaka/Kitwe 1 way Economy	644,800	639,600	633,100	61,8800	62,6600	62,2700	61,1000	-5.2	-1.9
Nshima with Beef relish restaurants	7,739	7,749	7,740	7,684	7,419	7,573	7,485	-3.3	-1.2

International Merchandize Trade

Exports increase in June 2005

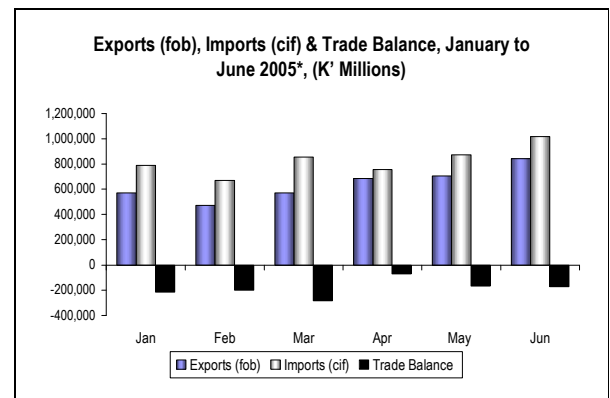
The total value of exports in June 2005 was K842,242 million as compared to K705,789 million in May 2005. This is equivalent to an increase of about 19 percent in the total value of export revenue. The total value of imports also increased by about 16 percent, recording K874,023 million in May as compared to K1,016,482 million in June 2005. Despite recording increases in total values of exports and imports, the net effect of these shifts in trade still led to a slight increase in the trade deficit from K168,234 million in May to K174,240 million in June 2005.

Total Exports, Imports & Trade Balance, January 2005 to June 2005*, (K' Millions)

Months	Imports (CIF)	Domestic Exports	Re-Exports (fob)	Total Exports (FOB)	Trade Balance
Jan-05	788,492	566,057	5,432	571,489	-217,003
Feb-05	670,866	470,641	275	470,916	-199,950
Mar-05	853,982	571,499	503	572,002	-281,980
Apr-05	754,997	670,566	14,413	684,979	-70,018
May-05	874,023	692,517	13,272	705,789	-168,234
Jun-05*	1,016,482	841,543	699	842,242	-174,240
TOTAL:	4,958,842	3,812,823	34,594	3,847,417	-1,111,425

Note: (*) Provisional
Source: CSO, International Trade Statistics, 2005

Domestic exports increased from K692,517 million in May to K841,543 million in June 2005. The share of Domestic exports in total exports was about 98 percent in May 2005 and 99 percent in June 2005; with re-exports accounting for the remaining shares.



Note: (*) Provisional
Source: CSO, International Trade Statistics, 2005

Total Exports (fob) by Standard International Trade Classification (SITC) sections, January - June 2005*, K' Millions

Note: (*) Provisional

Source: CSO, International Trade Statistics, 2005

The increase in revenue from exports between May and June 2005 could mainly be attributed to the improvement in export values of Crude materials (copper ores/ concentrates, excluding fuels), cut-flowers, food (cane sugar, vegetables), live animals and Manufactured goods classified chiefly by material (refined copper & its articles, cobalt – articles and to some extent cotton yarn). These products accounted for shares of about 88 percent and 94 percent in May and June 2005, respectively.

**Total Imports (cif) by Standard International Trade Classification (SITC) sections, January – June 2005*,
K' Millions**

Code	Description	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05*
0	Food & Live Animals	43,778	35,160	59,422	39,648	33,921	31,193
1	Beverages & Tobacco	544	543	455	785	838	404
2	Crude Materials, (Exc. Fuels)	22,579	19,791	30,781	30,854	35,698	65,040
3	Mineral Fuels, Lubricants & Related Materials	46,596	27,503	47,575	21,327	21,376	103,084
4	Animal & Vegetable Oils, Fats & Waxes	19,750	12,433	13,538	11,360	13,921	15,539
5	Chemicals	131,630	96,305	145,854	117,425	146,597	155,864
6	Manufactured Goods Classified Chiefly By Material	91,879	103,779	115,842	115,938	121,219	111,771
7	Machinery & Transport Equipment	278,124	225,981	257,672	237,377	307,641	334,991
8	Miscellaneous Manufactured Articles	153,604	149,358	162,780	180,263	192,799	198,533
9	Commodities & Transactions Nec In Sitc	8	13	63	20	13	63
TOTAL		788,492	670,866	853,982	754,997	874,023	1,016,482

Note: (*) Provisional

Source: CSO, International Trade Statistics, 2005

The increase in June 2005 import values over those of May 2005 was mainly due to significant increases in expenditure on crude materials – excluding fuels from K35,698 million in May to K65,040 million in June and chemicals from K146,597 million in May to K155,864 million in June.

Zambia's major trading partners during the period January to June 2005, were mainly from Africa with South Africa accounting for the largest proportion followed by Zimbabwe, Kenya, Malawi, Tanzania and Congo DR). In the European market, the United Kingdom was the major trading partner. Other notable European markets included Switzerland, Netherlands, Belgium and France. From Asian market, Zambia's major trading partners were China, Japan, India and United Arab Emirates.

Living Conditions Monitoring Survey III (2002/2003)

Code	Description	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05*
0	Food & Live Animals	80,660	55,937	66,748	25,370	97,408	105,117
1	Beverages & Tobacco	3,256	6,002	2,421	19,688	32,963	28,499
2	Crude Materials, (Exc. Fuels)	37,346	45,199	54,613	230,628	49,297	136,216
3	Mineral Fuels, Lubricants & Related Materials	1,441	842	1,387	3,634	11,292	5,772
4	Animal & Vegetable Oils, Fats & Waxes	63	0	0	312	96	131
5	Chemicals	5,579	4,571	4,017	5,062	6,436	5,199
6	Manufactured Goods Classified Chiefly By Material	426,681	348,036	426,454	374,269	477,218	550,101
7	Machinery & Transport Equipment	6,860	6,244	10,061	4,964	7,796	5,598
8	Miscellaneous Manufactured Articles	9,559	4,059	6,151	20,894	22,936	5,459
9	Commodities & Transactions Nec In Sitc	44	26	150	158	347	150
TOTAL		571,489	470,916	572,002	684,979	705,789	842,242

Lusaka Province records highest number of disabled persons

The LCMSIII 2002/2003 survey results indicate that 2.4 percent of the Zambian population is disabled with 2.6 percent in rural areas and 2.1 percent in urban areas. Analysis at provincial level shows that Lusaka has the largest proportion of the disabled at 3.2 percent followed by Northern and Northwestern both at 2.6 percent respectively. Southern Province has the least proportion of disabled persons with 1.6 percent.

Proportion of the Disabled by Type of Disability, Residence and Province, Zambia, 2002–2003

Residence/Province	Population	Total Disabled	Type of Disability							
			Blind	Partially Sighted	Deaf	Dumb	Crippled	Mentally Retarded	Mentally Ill	Ex Mental
Zambia	10,757,192	2.4	0.2	0.7	0.2	0.1	0.6	0.2	0.2	0.0
Rural	7,006,608	2.6	0.2	0.7	0.2	0.1	0.7	0.2	0.2	0.0
Urban	3,750,584	2.1	0.2	0.6	0.1	0.1	0.4	0.1	0.1	0.0
Province										
Central	1,097,632	2.0	0.2	0.6	0.2	0.1	0.6	0.2	0.1	0.0
Copperbelt	1,707,843	1.9	0.1	0.9	0.2	0.1	0.6	0.1	0.1	0.0
Eastern	1,440,604	3.0	0.1	0.9	0.3	0.1	0.9	0.3	0.1	0.0
Lupula	852,351	2.2	0.1	0.8	0.1	0.2	0.5	0.3	0.3	0.1
Lusaka	1,496,428	3.2	0.4	0.4	0.0	0.2	0.4	0.1	0.2	0.0
Northern	1,371,234	2.6	0.3	0.5	0.3	0.1	0.7	0.3	0.3	0.0
North Western	637,112	2.6	0.0	0.9	0.1	0.1	0.6	0.2	0.2	0.1
Southern	1,335,538	1.6	0.2	0.5	0.1	0.2	0.5	0.0	0.1	0.0
Western	818,450	2.5	0.0	1.0	0.3	0.1	0.6	0.2	0.2	0.0

Source: Living Conditions Monitoring Survey III 2002/2003

The results also revealed that there is a higher proportion of disabled persons among the males with 2.7 percent, than females with 2.1 percent. Men were also reported to be more prone to mental health problems (Mentally retarded, Mentally ill and EX-mental) at 0.6 percent than their female counterparts 0.2 percent. However, the most common types of disability among both males and females were, "Partially Sighted" and "Crippled".

The results further show that the proportion of the disabled increased with age. For instance, of those aged (0–4), 0.7 percent were disabled

compared to 12.5 percent of those aged 65 years and above.

Proportion of the Disabled by Type of disability, Age and Sex, Zambia, 2002-2003

Age and Sex	Total Disabled	Type of Disability								
		Blind	Partially Sighted	Deaf	Dumb	Crippled	Mentally Retarded	Mentally III	Ex Mental	
Sex										
Male	2.7	0.2	0.7	0.2	0.2	0.7	0.3	0.2	0.1	
Female	2.1	0.2	0.7	0.2	0.1	0.5	0.1	0.1	0.0	
Age Group										
0-4	0.7	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	
5-14	1.5	0.1	0.3	0.3	0.1	0.3	0.1	0.1	0.0	
15-24	1.7	0.1	0.5	0.1	0.1	0.4	0.2	0.1	0.0	
25-29	2.1	0.1	0.4	0.1	0.1	0.6	0.4	0.3	0.0	
30-44	2.5	0.2	0.5	0.1	0.1	0.6	0.2	0.3	0.1	
45-64	4.5	0.6	1.5	0.1	0.1	1.4	0.2	0.3	0.1	
65+	12.5	1.6	7.2	0.8	0.6	2.7	0.2	0.3	0.2	

Source: Living Conditions Monitoring Survey III 2002/2003

Agriculture & Environment

Sorghum Production Declines!

The Crop Forecast Survey for 2004/2005 Agricultural Season estimates Sorghum production at 18,714 metric tonnes as opposed to 24,189 metric tonnes recorded in 2003/2004 Agricultural Season. This represents a reduction in Sorghum production of 22.6 percent.

Comparison of Sorghum Production (Mt) for 2003/2004 and 2004/2005 Agricultural Seasons

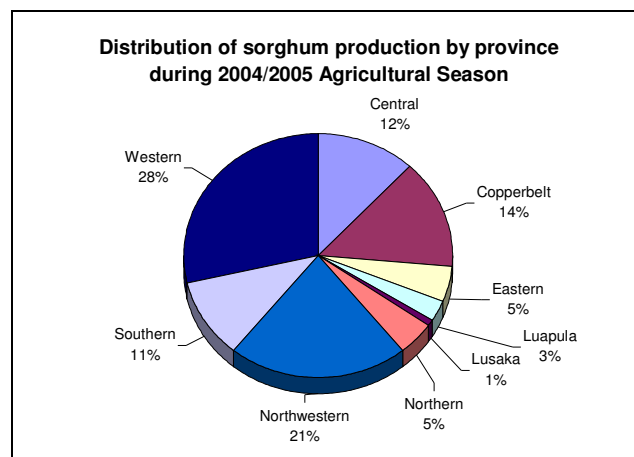
Province	2003/2004 (Mt)	2004/2005 (Mt)	Percentage Change From Last Year	Percent Contribution to Production by Province - 2004/2005
Central	3,399	2,240	-34.10%	12
Copperbelt	2,143	2,690	25.52%	14
Eastern	1,438	880	-38.80%	5
Luapula	707	543	-23.20%	3
Lusaka	64	139	117.19%	1
Northern	2,237	856	-61.73%	5
North Western	4,896	4,013	-18.04%	21
Southern	3,359	1,994	-40.64%	11
Western	5,946	5,359	-9.87%	28
NATIONAL	24,189	18,714	-22.63%	100

Source: CSO/MACO, 2004/2005 Crop Forecasting Survey

At provincial level, Western Province recorded the highest in sorghum production at 28 percent followed by North-western Province at 21 percent. Copperbelt and Central provinces contributed 14 and 12 percent to total sorghum production, respectively. Others were Southern at 11 percent followed by Eastern and Northern provinces at 5 percent each. Luapula and Lusaka provinces contributed the least to

sorghum production at 3 and 1 percent respectively.

During the 2004/2005 Agricultural Season, only Lusaka and Copperbelt provinces recorded increases in sorghum production at 117.2 and 25.5 percent respectively. This is mainly because Zambia National Breweries engaged a number of farmers in these provinces to grow sorghum for use in beer brewing.



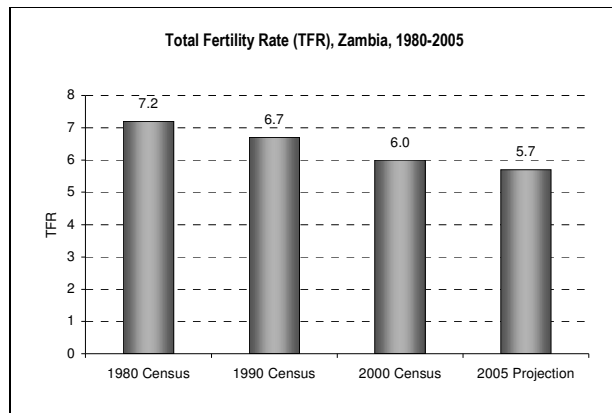
Source: CSO/MACO, 2004/2005 Crop forecasting Survey

Demographic Characteristics

Total Fertility Rate, Desired Family Size Declines!

In the last two decades, there has been a notable decline in Total Fertility Rate (TFR) in Zambia, which seems to be directly related to an explicit preference to a smaller family size.

The decline in TFR is clearly shown by the censuses conducted by the Central Statistical Office from 1980 to 2000. The TFR were recorded at 7.2, 6.7 and 6.0 in the 1980, 1990 and 2000 Censuses respectively. Furthermore, the TFR was projected at 5.7 for the year 2005. The graph below shows the trend in the TFR over the past 25 years.



Source: 1980, 1990, 2000 Censuses and 2005 Census Projections

education prefer to have more children than those with a primary or higher education.

This trend is similar to the one observed in the 1996 and 2002 Zambia Demographic Health Survey. These surveys recorded the TFR at 6.1 and 5.9 in 1996 and 2002 respectively.

The ZDHS further suggests that the TFR is synonymous with the decline in the desired family size. The table below shows the decline in the desired family size, from 1996 to 2002.

On average, all the interviewed women indicated the desired family size to be 5.3 in 1996 and 4.7 in 2002. However, the married women interviewed indicated 5.7 and 5.1 in 1996 and 2002 respectively.

Similarly, the men indicated the desired family size of 5.9 in 1996 and 5.3 in 2002.

Total Desired Number of Children by Marital Status, Zambia, 1996 and 2002

Women & Men	Year	Desired Children
Married Women	1996	5.7
	2002	5.1
Total women	1996	5.3
	2002	4.7
Married Men	1996	6.6
	2002	5.9
Total men	1996	5.9
	2002	5.3

*Source: Zambia Demographic Health Survey 2001-2002

The desired number of children varies according to the educational level of both men and women. The ZDHS indicated that those with no

In 1996 the desired family size for the women with no education, with primary education and those with a secondary or higher education were 6.4, 5.6 and 4.2 respectively. In 2002, however, these declined to 5.7, 5.0 and 3.8, respectively.

The same pattern is observed for men with a desired number of children seemingly larger for those with no education as compared to those with some level of education.

Mean Number of Desired Children by Educational Status, Zambia, 1996 and 2002

Educational Level	Year	Women	Men
No Education	1996	6.4	7.0
	2002	5.7	6.0
Primary	1996	5.6	6.4
	2002	5.0	5.9
Secondary or Higher	1996	4.2	5.1
	2002	3.8	4.5

*Source: Zambia Demographic and Health Survey 2001-2002

The Layman and Statistics

Disability: refers to a person who is limited in a kind or amount of activities that he or she can do because of on-going difficulties due to a long term physical, mental or health problem.

TFR: Total Fertility Rates is the number of children that a woman would have by the end of her child bearing period if she were to experience the currently observed age specific fertility rate

Mentally ill: Psychological disorder related to the individual's mental state or state of mind.

Mentally Retarded: Any individual that is either very slow to learn or has deficiency of mental intellect (slow in grasping things, difficulties in remembering things, very slow at responding)

Ex-Mental: Any person that has suffered from mental disorder before but is now rehabilitated/or medically treated/or is undergoing rehabilitation.

Available at Central Statistical Office

- Living Conditions Monitoring Survey III Report, 2002/3 @ K40,000
- Provincial 2000 Census Reports @ K25, 000
- External Trade Statistics Bulletin 2004 @ K30, 000
- Selected Social Economic Indicators @ K30, 000
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