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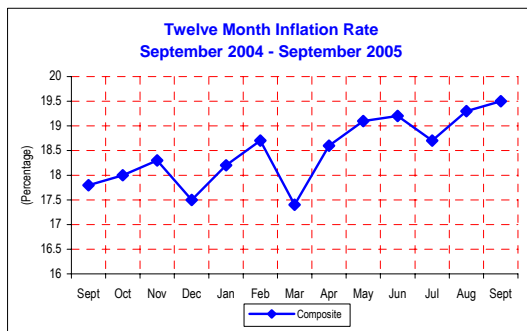
September, 2005

Economic Indicators

September Inflation Increases

The annual rate of inflation, as measured by all items Consumer Price Index (CPI), was recorded at 19.5 percent as at September 2005. This rate is 0.2 of a percentage point higher than the August rate of 19.3 percent. Compared with September 2004, the annual rate of inflation increased by 1.7 percentage points, from 17.8 percent in September 2004 to 19.5 percent in September 2005.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 19.8, 18.9 and 19.8 percent respectively.



Source: CSO, Consumer Price Index, September 2005

Contributions of different items to overall inflation

The increase of 0.2 of a percentage point is accounted for by the increase in the cost of food, beverages, furniture and household appliances. There were no shifts in the contribution of other groups to the increase in inflation between August and September 2005.

Furthermore, of the total 19.5 percent annual inflation in September 2005, increases in food

prices accounted for 10.8 percentage points while non-food items in the Consumer Price Index (CPI) accounted for 8.7 percentage points.

Item	Percentage Points Contributions of different items to overall inflation								
	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05
Food Beverages and Tobacco	9.6	9.8	8.6	9.6	10.1	10.1	9.8	10.7	10.8
Clothing and Footwear	1.3	1.2	1.1	1.0	1.0	1.1	1.0	1.1	1.1
Rent, Fuel and Lighting	1.8	2.2	2.1	2.5	2.4	2.7	2.8	2.8	2.8
Furniture and Household Goods	2.0	2.0	2.0	2.0	1.9	1.9	2.0	1.8	2.0
Medical Care	0.1	0.1	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	1.3	1.3
Recreation and Education	0.9	0.9	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	0.6	0.5
All Items	18.2	18.7	17.4	18.6	19.1	19.2	18.7	19.3	19.5

Source: CSO, Consumer Price Index, September 2005

Higher food prices influence September inflation

The increase in the food index was mainly due to the increase in the cost of maize meal, maize grain, other cereals and cereal products, fresh meat, and dried beans. Partially offsetting these increases were declines in the cost of fresh vegetables, fish, kapenta, dressed chicken, eggs and irish potatoes.

Annual food inflation was recorded at 20.7 percent, up by 0.3 of a percentage point on the August rate of 20.4 percent. Annual non-food inflation rate remained unchanged at 18.2 percent in September 2005. Between August and September 2005, the non-food index increased by 1.9 percent. This increase was mainly due to the rise in the cost of fuel (petrol and diesel), furniture, household appliances and house rent.

Your Monthly Food Basket

The food basket as at August 2005 was **K695,739** for a family of six. The same family on average was expected to live on **K999,072** for all their food & basic needs.

Serving Your Data Needs

Maize Grain prices continue to rise

A comparison of prices between August and September 2005, shows that the national average price of maize grain measured in a 20litre tin recorded an increase of 7.9 percent from K15,197 in August to K16,404 percent in September 2005. The national average price of a 25kg bag of breakfast meal increased by 5.7 percent from K38,363 in August to K40,557 in September 2005.

However, the national average price of 1kg of dried kapenta (Mpulungu) declined by 6.1 percent, while the average price of 1kg of rape (vegetable) declined by 13.4 percent.

National Average Prices for Selected Products and Months

Product Description	2005										Percentage Changes		
	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Sept/Jan	Sept/Aug		
White breakfast 25Kg	34679	35826	35704	35760	35885	36443	36780	38363	40557	16.9	5.7		
White Roller 25Kg	27156	28365	28282	28497	28393	27966	28668	30281	31898	17.5	5.3		
Samp 1 Kg	3964	3208	3080	3344	2873	2651	2822	2870	3608	-9.0	25.7		
White Maize 20 litre tin	14055	15377	15853	14146	12892	13272	13766	15197	16404	16.7	7.9		
Rice Local 1 Kg	3548	3504	3594	3621	3767	3661	3725	3820	3916	10.4	2.5		
Fillet Steak 1 Kg	19636	19792	20353	20277	20205	20416	20533	20385	20759	5.7	1.8		
Beef Sausages 1 Kg	16439	16432	16462	16683	16466	16697	16990	17102	17553	6.8	2.6		
Offals 1 Kg	8410	8518	8484	8594	8389	8227	8315	8413	8610	2.4	2.3		
Dried Kapenta Mpulungu 1Kg	32312	32913	32522	30591	33130	32670	32670	35735	33539	3.8	-6.1		
Dried Kapenta Siavonga 1Kg	32373	32931	34412	34606	34228	34566	34589	36052	34008	5.1	-5.7		
Dried Kapenta Chisense 1Kg	19829	20189	20415	21163	21032	21032	19153	20361	19388	-2.2	-4.8		
Eggs 1 Unit	5399	6086	6086	5906	5810	5888	5916	6011	5961	0.4	-0.8		
Onion 1kg	3379	3652	4430	4628	5314	5266	5258	4870	4542	34.4	-6.7		
Rape 1kg	2324	1844	1798	2002	1840	1944	1725	1633	1414	-39.2	-13.4		
Shelled groundnut 1kg	5513	5489	5585	5505	5283	5180	5253	5253	5211	-5.5	-0.8		
Paraffin 1 litre	3798	3488	3615	3819	4147	4193	4101	4270	4289	12.9	0.4		
Petrol Premium 1 litre	5300	4896	5186	5619	5856	5714	5561	5856	6082	14.8	3.9		
Diesel 1 litre	4824	4500	4590	4749	5099	5069	5005	5408	5793	20.1	7.1		
Nshima with Beef 2 Star down to Motel	19641	19566	19751	19697	19487	19628	20441	21112	21311	8.5	0.9		
Nshima with Beef relish Restaurant	7739	7749	7740	7684	7419	7573	7485	7669	7730	-0.1	0.8		

International Merchandize Trade

Exports Up, Imports down in August 2005

Zambia's total exports in August 2005 increased by 21percent from K705.9 billion in July 2005 to K856.4 billion in August 2005. Total imports declined from K1, 007.4 billion in July 2005 to K960.8 Billion in August 2005 with a decrease of five percent. Consequently, the country's trade deficit dropped significantly from K301. 5 billion in July to K104. 5 billion in August 2005.

Exports and Imports, January to August 2005 (K' millions)*

Month	Imports(CIF)	Exports (FOB)*			Trade Balance
		Domestic	Re-exports	Total Exports (FOB)	
Jan-05	794,145	567,700	5,431	573,131	(221,014)
Feb-05	677,317	472,494	275	472,769	(204,548)
Mar-05	911,541	583,149	398	583,547	(327,994)
Apr-05	1,102,807	673,980	14,413	688,393	(414,414)
May-05	874,150	691,611	13,272	704,883	(169,267)
Jun-05	1,063,966	865,624	699	866,323	(197,643)
Jul-05	1,007,393	702,714	3,147	705,861	(301,532)
Aug-05	960,830	853,414	2,954	856,368	(104,462)

* Figures are provisional: FOB (Free on Board); CIF (Cost, Insurance and Freight)

Exports

Zambia's major exports between July and August 2005 were 'Manufactured Goods Classified Chiefly by Material', accounting for more than sixty percent of Zambia's exports in July (K479.1 billion) and August (K543.0 billion).

Exports by SITC* Section, July- August, 2005 (K' Millions)

SITC SECTION and Description	July-2005	Agust-2005
(I) Food & Live Animals	81,947	24,343
(1) Beverages & Tobacco	38,789	42,267
(2) Crude Materials, (Exc. Fuels)	84,497	78,333
(3) Mineral Fuels, Lubricants & Related Materials	4,295	2,821
(4) Animal & Vegetable Oils, Fats & Waxes	636	22
(5) Chemicals	6,401	8,354
(6) Manufactured Goods Classified Chiefly By Material	479,062	543,029
(7) Machinery & Transport Equipment	5,734	9,074
(8) Miscellaneous Manufactured Articles	4,269	147,941
(9) Commodities & Transactions Nec In SITC	231	184
Total	705,861	856,368

*SITC: Standard International Trade Classification

The major export commodities under 'Manufactured Goods Classified Chiefly by Material' were;

- **Refined Copper** (K250. 7 billion in July and K317.5 billion in August),
- **Plates, Sheets & Strip, of Refined Copper, >0.15mm Thick** (K114.3 billion in July and K118.8 billion in August),
- **Cobalt, Wrought, & Articles of Cobalt**, (K48.1 billion July and K48.1 billion in August),
- **Wire of Refined Copper** (K34.8 billion and K31.1 billion in August),
- **Unrefined Copper; Copper Anodes for Electrolytic Refining** (K4.2 billion in July and K8.4 billion in August),

- **Cotton Yarn (Excl. Sewing Thread), with $\geq 85\%$ Cotton, For Retail** (K 9.5 billion in July and K6.2 billion in August),
- **Precious (Excl. Diamonds) or Semi-Precious Stones, Un-worked** (K2.3 billion in July and K4.9 billion in August),
- **Portland cement** (K2.6 billion in July and K2.1 billion in August),
- **Precious & Semi-Precious Stones, Worked But Not Set...**, (K8.2 billion in July and K2.0 billion in August)

Following exports of 'Manufactured Goods Classified Chiefly by Material' were exports of 'Miscellaneous Manufactured Articles'. The country experienced a sharp increase in exports of these items from K4.3 billion in July to K147.9 billion in August 2005. The articles accounting for this increase were exports of 'Handbags'; and 'Other Clothing Accessories of leather and articles'. None of these articles were exported in July 2005 and as a result, it became the major factor behind the increase in the August 2005 export figure

Imports

Zambia's imports between July and August 2005 were dominated by imports of 'Machinery & Transport Equipment'. Overall imports decline from K320.8 billion in July 2005 to K260.5 billion in August 2005 representing a 19 percent decline. The major commodities under 'Machinery & Transport Equipment' include 'Other Electric Conductors for a Voltage 80v-1000v'; Fuel/Lubricating/Cooling-Medium Pumps for Internal Combustion; Motor Vehicles for the Transport of Persons and 'Parts of Machinery'. Other major import commodities include 'Miscellaneous Manufactured Articles' (206.9 billion), followed by 'Mineral Fuels, Lubricants & Related Materials (From K151.1 billion in July 2005 to K131.9 billion in August 2005 representing a 13 percent decrease.

Imports By SITC July-August 2005, K' Millions

SECTION CODE AND DESCRIPTION	July	August
(0) Food & Live Animals	31,623	32,993
(1) Beverages & Tobacco	650	1,274
(2) Crude Materials, (Exc. Fuels)	25,890	27,875
(3) Mineral Fuels, Lubricants & Related Materials	151,142	131,856
(4) Animal & Vegetable Oils, Fats & Waxes	16,803	14,817
(5) Chemicals	134,833	153,750
(6) Manufactured Goods Classified Chiefly By Material	124,485	128,495
(7) Machinery & Transport Equipment	320,810	260,462
(8) Miscellaneous Manufactured Articles	198,844	206,863
(9) Commodities & Transactions nec in SITC	2,313	2,445
Total	1,007,393	960,830

Source: CSO, International Trade Statistics, 2005

Exports and Imports of Agricultural, Hunting and Forestry Products

Agricultural Exports

Zambia's top agricultural export commodities in August 2005 are summarized in the table below.

Exports of Agriculture, Forestry & Fishery Products by CPC, July to August 2005 (K' Millions)

Description	July	August	
		Value	% of total
Cotton, whether or not ginned	45,608	32,158	38.6
Other un-manufactured tobacco	30,961	28,088	33.7
Cured stemmed/stripped tobacco leaves	5,725	10,723	12.9
Live plants; bulbs, tubers & roots; cuttings & slips	2,011	2,679	3.2
Cut flowers & flower buds including bouquets, wreaths	2,744	2,558	3.1
Coffee, not roasted, not decaffeinated	1,206	1,962	2.4
Other vegetables, fresh or chilled n.e.c.	0	1,747	2.1
Cotton seeds	599	1,737	2.1
Total Agriculture	93,057	83,257	98.1

Source: CSO, International Trade Statistics, 2005

The major agricultural export commodity was Cotton, whether or not ginned, (K45.6 billion in July 2005 and K32.2 billion in August 2005). This was followed by 'Other un-manufactured tobacco' (K31.0 billion in July and K28.1 billion in August 2005).

Agricultural Imports

The major agricultural import in August 2005 was 'Dried leguminous vegetables (K4.3 billion). This was followed by Wheat and Meslin (K 3.7 billion). Compared with July 2005, more 'Wheat and meslin' came into Zambia in August 2005.

Imports of Agricultural, Forestry & Fishery Products by CPC, July-August 2005 (K' Millions)

Description	July	August	
		Value	% of total
Dried leguminous vegetables	1,572	4,282	30.3
Wheat & meslin	383	3,658	25.9
Citrus fruit, fresh or dried	1,981	1,513	10.7
Natural rubber in primary forms or in plates, sheets o	167	635	4.5
Spices, whether or not processed	255	553	3.9
Other raw vegetable materials	0	537	3.8
Other fruit, fresh n.e.c.	561	512	3.6
Potatoes	198	509	3.6
Live plants; bulbs, tubers & roots; cuttings & slips	31	330	2.3
Other vegetables, fresh or chilled n.e.c.	274	287	2.0
Vegetable seeds	260	214	1.5
Soya beans	1,138	208	1.5
Ground nuts	74	160	1.1
Balata, gutta-percha, guayule, chicle & similar natural rubber	9	134	0.9
Dates, figs, bananas, coconuts, brazil nuts, pineapple	217	127	0.9
Lac; other natural gums, resins & other vegetable saps	0	123	0.9
Total	10,609	14,144	100.0

Source: CSO, International Trade Statistics, 2005

Request from the August Monthly

Details on the SADC/COMESA

Export Percentage Market Shares by Major trading Partners, Jan – July 2005*

Partner	Jan	Feb	Mar	Apr	May	Jun	Jul
SADC	30	27	25	45	25	17	27
COMESA	1	1	1	1	1	0	1
SADC/COMESA	8	9	13	8	11	16	17
EU ^	32	32	26	20	35	27	17
ASIA	7	7	6	4	5	5	5
OTHER	22	24	29	22	23	35	33
TOTAL	100	100	100	100	100	100	100

EU ^ = The old 15 members

Source: CSO, International Trade Statistics, 2005

Import Percentage Market Shares by Major trading Partners, Jan – July 2005*

Partner	Jan	Feb	Mar	Apr	May	Jun	Jul
SADC	42	44	46	59	45	41	40
COMESA	2	2	2	1	2	2	2
SADC/COMESA	5	6	6	5	9	8	6
EU ^	24	25	24	22	28	35	36
ASIA	22	17	17	9	11	10	13
OTHER	5	6	5	4	5	4	3
TOTAL	100	100	100	100	100	100	100

EU ^ = The old 15 members

Source: CSO, International Trade Statistics, 2005

Living Conditions Monitoring Survey III (2002/2003)

Lowest usage of Electricity recorded in Northern and Western Provinces

The 2002/3 Living Conditions Monitoring Survey results indicate that western and Northern provinces have the lowest number of households that use electricity as a source of energy for lighting, with each reporting 3 percent. Other provinces that recorded lower usage included Eastern with 4 percent and Luapula and North Western provinces with 5 percent each. Lusaka province recorded the highest number of households that use electricity as a source of energy for lighting with 47 percent, followed by Copperbelt province with 43 percent.

The results also reveal that at national level only 18 percent of households use electricity as a source of energy for lighting. Analysis by residence indicates that urban households use electricity as a source of lighting, 48 percent as compared to 3 percent for rural households. The results further show that 51 percent of households in Zambia depended on kerosene/paraffin as a major source of energy for lighting.

In rural areas, 91 percent of dwellings are traditional where as in urban areas 83 percent of the dwellings are conventional

Percentage Distribution of Households by Main Type of Lighting Energy, by Residence and Province, 2002-2003

Residence/ Stratum/ Province	Type of Lighting Energy									Total	Total number of Households
	Kerosene/ Paraffin	Electricity	Candle	Diesel	Open fire	Torch	Solar Panel	Other	None		
All Zambia	51	18	11	6	11	0	0	2	1	100	2,005,677
Rural	63	3	5	9	16	0	0	3	1	100	1,329,702
Urban	27	48	24	0	0	0	0	0	.	100	675,975
Province											
Central	63	9	11	12	4	0	1	1	0	100	194,444
Copperbelt	38	43	14	3	1	.	0	0	.	100	315,078
Eastern	61	4	5	8	17	.	1	3	3	100	276,600
Luapula	82	5	2	0	10	.	0	1	.	100	169,592
Lusaka	15	47	36	1	0	.	0	0	0	100	271,421
Northern	72	3	4	7	12	.	0	2	0	100	271,237
North western	56	5	6	12	13	0	.	7	1	100	117,563
Southern	55	19	6	8	9	0	0	1	1	100	224,783
Western	28	3	12	6	43	.	0	7	1	100	164,959

Source: 2003 Living Conditions monitoring survey

The results also indicate that the same provinces with low proportions of households using electricity as a source of energy for lighting were among the provinces that recorded the least number of households that use electricity as a source of energy for cooking. Northern reported the lowest proportion with 1 percent followed

by Western, Eastern and Luapula with 2 percent each respectively. The results further indicate that majority of Zambian households, 60 percent, depended on firewood as the main source of cooking energy and this was more prevalent in the rural areas.

Percentage Distribution of Households by Main Type of Cooking Energy by Residence and Province, 2002-2003

Residence	Type of Cooking Energy										Total
	Collected fire wood	Purchased fire wood	Charcoal own produced	Charcoal purchased	Coal	Kerosene/Paraffin	Gas	Electricity	Crop/Livestock residues	Other	
All Zambia	60	2	2	20	0	0	0	15	0	0	100
Rural	88	2	3	6	0	0	0	1	1	0	100
Urban	6	3	1	48	0	0	0	41	0	.	100
Province											
Central	73	1	1	16	.	1	0	7	.	0	100
Copperbelt	19	2	3	42	0	.	0	35	.	.	100
Eastern	87	3	0	8	.	0	0	2	.	.	100
Luapula	56	2	20	20	.	0	.	2	.	.	100
Lusaka	12	2	0	41	..	.	0	45	.	.	100
Northern	83	1	1	14	.	0	.	1	0	.	100
North western	86	2	0	10	.	.	.	3	.	.	100
Southern	75	5	0	9	.	.	.	12	.	.	100
Western	86	3	0	4	0	.	0	2	5	.	100

Source: 2003 Living Conditions monitoring survey

Agriculture & Environment

Fertilizer Acquisition and Application

An estimated 968,788 agricultural households grew crops of which only 202,950 (21 percent) acquired fertilizers for the 2002/2003 agricultural season. At national level, 49.7 percent of households acquired fertilizer from commercial dealers. Other sources of fertilizers included, the Government Cash Program with 16.5 percent, the Food Security Pack from Program Against Malnutrition (PAM) with 13 percent and the Government Loan Program with nearly 10 percent of the households. Direct exchange and other free source channels of transaction reported less than 8 percent each of the households acquiring fertilizers.

followed by Southern (21.2 percent), Central (17.6 percent) and Northern (13.4 percent). Western, Luapula and Northwestern provinces recorded the lowest percentage of total number of households acquiring fertilizer with 1.9, 3 and 3.8 percent respectively.

While Central, Copperbelt and Lusaka provinces acquired fertilizer mostly through commercial purchases, the rest of the provinces were through Government support.

Out of a total of 202,950 farmers that acquired fertilizer countrywide, 26.8 percent were in Eastern Province,

Number of households acquiring fertilizer by Channel and Province

Province	Total number of Crop-Growing Households	Number of Households Acquiring Fertilizers	Percent of Total Acquiring Fertilizers	Mode of Acquisition (percent)					
				Government Related Support				Commercial Cash Purchases	Other Fertilizer Sources
				Govt Cash Program	Govt Loan Program	Govt Food Security Pack (PAM)	Total Govt Support		
Central	101,496	35,808	17.6	11.9	11.7	1.8	25.4	68.3	5.9
Copperbelt	63,216	16,353	8.1	9.1	10.9	17.7	37.7	58.7	3.7
Eastern	219,856	54,441	26.8	22.4	10.2	8	40.6	48.3	11.1
Luapula	98,497	6,000	3	6.2	7.4	40.9	54.5	37.6	7.9
Lusaka	16,439	8,559	4.2	13.8	3.8	4.5	22.1	70.8	7.1
Northern	182,502	27,118	13.4	18.5	3.3	34.4	56.2	39.8	4.1
N/Western	70,507	7,810	3.8	22.7	5.3	44.7	72.7	26.4	0.8
Southern	116,103	43,106	21.2	13.2	11.6	4.5	29.3	43.7	27
Western	100,171	3755	1.9	35	24.8	25.3	85.1	11.9	3
National	968,788	202,950	100	16.5	9.6	13		49.7	11.2

Source: CSO, Post Harvest Survey

*Other fertilizer sources; Direct Exchange/Barter and Free Sources

In Western Province, 35.0 percent of the farmers purchased fertilizer at subsidised price through the Government cash program. In Luapula and North Western provinces small and medium scale farmers obtained their fertilizers mainly through the Government Food Security Pack, 40.9 percent and 44.7 percent, respectively.

At national level 61.8 percent of the households that obtained basal fertilizer through the Government cash programme said they got the fertilizer on time. The positive response to how timely the fertilizer was accessed varied from 100 percent through the government cash programme in Luapula province to zero percent through other free sources in North Western and Western province, which can be from NGO's, relatives or non relatives, institutions, churches Etc

FEATURE ARTICLE

Flux of fuel Prices and Airfares

Petrol, diesel and paraffin are the three major components of oil products that Zambia need to drive the sectors of the economy. The country, however, does not produce its own oil but depend on the external world for this commodity.

In this feature article, we give an analysis of fuel pricing trends on the local market and the international and domestic airfares from August 2004 to August 2005.

A critical analysis of prices of the three oil products reveals that between the month of August 2004 and August 2005, Zambia has recorded ever increasing prices in oil products. Almost, all the months in the period showed a steady increase in fuel prices. The average costs of one litre of each of petrol, diesel and paraffin during the month of August 2004 were ZMK4,825.00, ZMK4,027.00 and ZMK3,140.00, respectively, and in August 2005 the average costs per litre for each of these same oil products were ZMK5,856.00, ZMK5,408.00 and ZMK4,270.00, respectively. Thus, compared to August 2004, fuel price increases for petrol premium, diesel and paraffin in the month of August 2005 were recorded at 21.4, 34.3 and 36.0 percent, respectively. The survey findings of the 2002/2003 Living Conditions Monitoring Survey (LCMS III) show that 51 percent of all households in Zambia depend on paraffin as main type of lighting energy and therefore an increase of 36 percent in the price of

paraffin greatly affected the majority of Zambian households. The effect was even worse for the rural households where 63 percent were reported to depend on paraffin as major source of energy for lighting according to the LCMS III results.

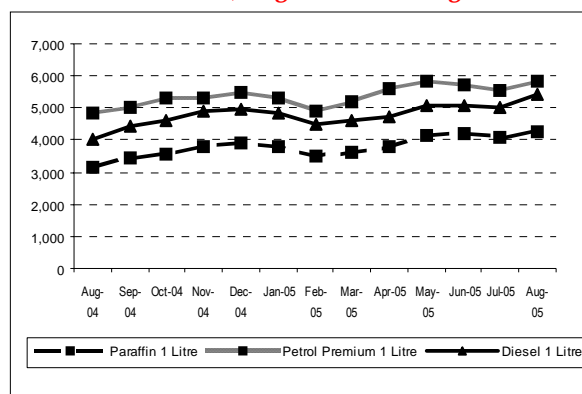
Considering that 52 percent of the population in the rural areas were reported to be living under extreme poverty according to the 2002/2003 LCMS III findings, an increase of 36 percent in the price of paraffin greatly affected the living conditions of rural households.

Fuel prices August 2004 and August 2005

Type of Fuel	Aug-04 (ZMK)	Aug-05 (ZMK)	% Change
Petrol Premium 1 litre	4,825	5,856	21.4
Diesel 1 litre	4,027	5,408	34.3
Paraffin 1 litre	3,140	4,270	36.0

Source: CSO – Consumer Price Index Survey

Fuel Price Trends, August 2004 to August 2005



Annual analysis of fuel price trends from 2001 to 2004 shows a similar upward trend in fuel prices, except for the price of diesel which recorded a decrease in the price per litre in the year 2002. The price of petrol premium rose by 28 percent from ZMK3,651.75 per litre in 2001 to ZMK4,675.75 per litre in the year 2004. As for diesel, the price per litre increased by 12.5 percent, from ZMK3,637.00 per litre in the year 2001 to ZMK4,092.50 per litre in the year 2004. On the other hand the cost of paraffin on which most poor Zambian households depend recorded a dramatic increase in the price of the commodity between the two periods. The price of 1 litre of paraffin increased by 42.3 percent from ZMK2,197.58 per litre in 2001 to ZMK3,127.25 per litre in 2004. This increase in the price of paraffin indicates that the living conditions of the vulnerable rural population were adversely affected.

This coupled with price increase in the other oil products raised both passenger and farm produce transportation costs thereby exacerbating the already poor conditions the rural dwellers are found in.

Annual Average Cost (ZMK) of Fuel

Type of Fuel	2001	2002	2003	2004	%change 2004/2001
Petrol Premium 1 litre	3,651.75	3,608.17	4,158.33	4,675.75	28.0
Diesel 1 litre	3,637.00	3,233.92	3,570.33	4,092.50	12.5
Paraffin 1 litre	2,197.58	2,403.67	2,711.58	3,127.25	42.3

Source: CSO – Consumer Price Index Survey

In the case of international air travel, a one-way economy class airfare between Lusaka and London with an average cost of ZMK4,151,610 in August 2004, was costing about 3.3 percent less during the same month of August 2005. The average cost on the same route in the same month of August 2005 was costing about ZMK4,013,800. The decrease in the cost of international airfare could be attributed to among other factors, the appreciation of the Zambian Kwacha, as the cost of international air travel is denominated in the US dollars. In August last year, one US dollar was costing on average about ZMK4,787.26 and in August this year (2005) the US dollar was costing about ZMK4,401.34.

As for domestic air travel, a one way domestic economy class airfare pricing from Lusaka to Ndola in August 2004, averaged around ZMK440,100.00, while at the end of August 2005, the cost was estimated at ZMK587,500, representing an increase in domestic air fare of about 33.5 percent. The cost of aviation fuel and local inflation may be among other factors that led to the increase in domestic airfares.

International and Domestic Air Fares August 2004 and August 2005

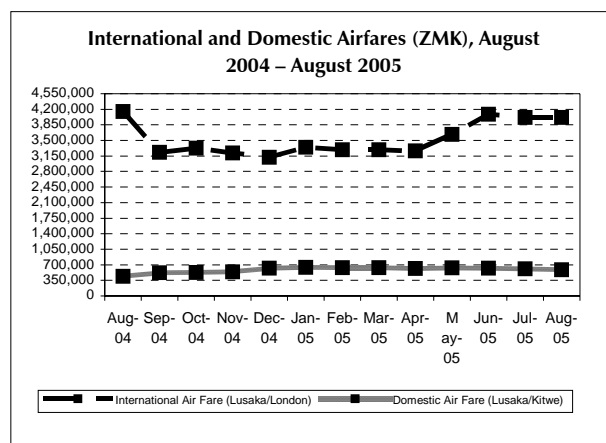
Route	August 2004	August 2005	% Change
Lusaka/London 1 Way	4,151,610	4,013,800	(3.3)
Lusaka/Ndola 1 way	440,100	587,500	33.5

Source: CSO – Consumer Price Index Survey

Average Cost (ZMK) of International and Domestic Airfares January–August 2004 and January–August 2005

Route	January–August 2004	January–August 2005	% Change
Lusaka/London 1 Way	3,073,068.75	3,617,421.25	17.72
Lusaka/Ndola 1 way	460,900.00	623,012.50	35.17

Source: CSO - Consumer Price Index Survey



The Layman and Statistics

Provisional Trade Data: Refers to Trade data that is subject to undergo further revision after receiving additional information, usually monthly.

Traditional Housing Unit: A traditional housing unit is indigenous to a particular village irrespective of building materials.

A conventional House/Flat: A conventional housing unit is a room or set of rooms and its accessories in a permanent building. It can also be structurally separated part of the permanent building by the way it has been built, rebuilt or converted. A conventional house is intended for habitation by one household and is not, at the time of enumeration, used wholly for other purposes.

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