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Foreword

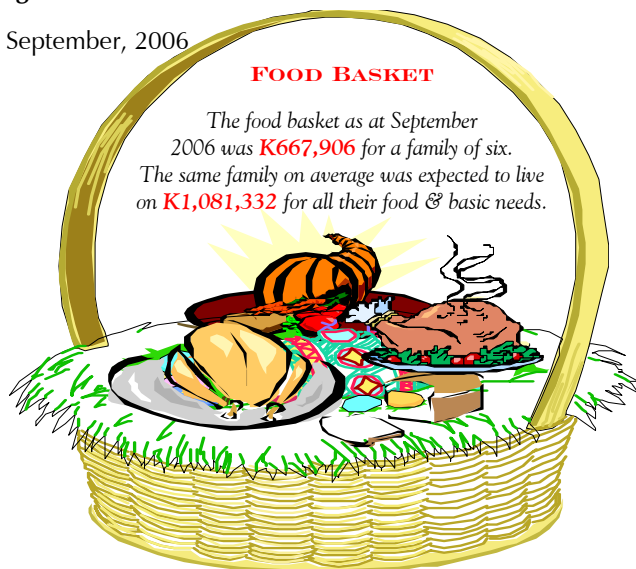
Welcome to the Monthly presentation organised by Dissemination Branch of the Central Statistical Office (CSO). The CSO embarked on vigorous information delivery strategy to major stakeholders and the media institutions in order to increase utilisation of statistical products and services. The office produces a number of statistical products in the Economic, Social, Agricultural and Environmental areas. The information collected in these areas may be used for various purposes including policy formulation, planning, implementation, monitoring and evaluation of programmes and projects.

This Monthly publication is an attempt to provide highlights of CSO's work and how it can help media institutions and the general public to make use of data and information for sustainable national development and decision-making.

I would like to urge our readers and users of statistical information to send to us any comments that may enhance statistical production and contribute to the improvement of this publication.

Ms. Efreda Chulu
Acting Director of Census and Statistics

26th September, 2006



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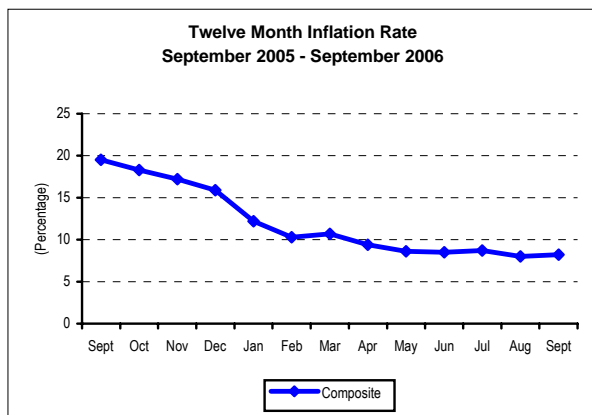
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Inflation

Inflation Increases Marginally in September 2006

The annual rate of inflation, as measured by the all items Consumer Price Index (CPI), was recorded at 8.2 percent as at September 2006. This rate is 0.2 of a percentage point higher than the August rate of 8.0 percent. Compared with the same period last year, the annual rate of inflation declined by 11.3 percentage points, from 19.5 percent in September 2005 to 8.2 percent in September 2006.

The September 2006 inflation rate of 8.2 percent means that prices as measured by the all items Consumer Price Index (CPI) increased by an average of 8.2 percent between September 2005 and September 2006.



Source: CSO, Consumer Price Index, September, 2006

Annual Inflation Rates for CPI Main Groups

Between August 2006 and September 2006, the annual inflation rates increased for food, beverages and tobacco, clothing and footwear, medical care, recreation and education, other goods and services main groups, while rent and household energy, furniture and household goods, transport and communication main groups recorded declines in annual inflation rates.

Annual Inflation Rate: CPI Main Groups

	Total	Food And Beverages	Clothing and Footwear	Rent and Household Energy	Furniture and Household Goods	Medical care	Transport and comms	Recreation And Education	Other Goods And Services
Jan 05 – Jan 04	18.2	17.9	17.3	18.6	21.7	12.2	20.6	13.9	19.6
Feb 05 – Feb 04	18.7	18.3	14.5	22.7	22.1	13.1	21.6	12.7	19.4
Mar 05 – Mar 04	17.4	16.0	14.1	22.1	22.0	13.2	22.5	12.7	18.5
Apr 05 – Apr 04	18.6	18.0	12.9	25.0	22.4	13.0	21.6	11.9	19.2
May 05 – May 04	19.1	19.1	13.0	25.0	19.4	12.9	23.1	13.7	18.0
Jun 05 – Jun 04	19.2	19.3	13.6	27.3	20.0	13.4	19.7	13.6	17.9
Jul 05 – Jul 04	18.7	18.7	13.2	27.9	21.0	14.2	15.9	13.4	17.9
Aug 05 – Aug 04	19.3	20.4	14.2	28.8	18.8	15.9	13.4	13.5	17.7
Sep 05 – Sep 04	19.5	20.7	13.9	28.4	21.0	15.1	13.1	12.9	16.3
Oct 05 – Oct 04	18.3	18.8	15.1	29.9	20.1	15.3	8.7	13.5	17.0
Nov 05 – Nov 04	17.2	18.3	14.4	28.9	18.0	14.5	4.9	13.5	15.2
Dec 05 – Dec 04	15.9	17.5	14.9	26.5	18.0	10.5	-3.5	13.4	14.9
Jan 06 – Jan 05	12.2	12.8	15.6	20.4	18.2	10.2	-8.6	12.2	11.7
Feb 06 – Feb 05	10.3	10.2	21.7	15.5	13.7	10.5	-9.9	12.7	11.6
Mar 06 – Mar 05	10.7	10.9	23.0	17.2	12.4	11.5	-10.6	11.8	11.0
Apr 06 – Apr 05	9.4	8.3	25.9	14.7	12.9	15.0	-10.9	11.7	13.9
May 06 – May 05	8.6	5.6	29.2	14.1	14.7	16.9	-9.5	14.2	13.9
Jun 06 – June 05	8.4	5.4	27.9	10.6	16.5	17.5	-6.5	12.0	13.7
Jul 06 – July 05	8.7	4.3	29.2	12.2	16.3	17.4	-1.5	15.1	12.7
Aug 06 – Aug 05	8.0	0.4	29.4	15.2	19.4	19.2	5.6	15.0	12.7
Sep 06 – Sep 05	8.2	1.5	30.2	14.9	16.3	21.1	4.8	15.6	13.1

Source: CSO, Consumer Price Index, September, 2006

Contributions of different Items to Overall Inflation

The increase of 0.2 of a percentage point in the inflation rate from 8.0 percent in August 2006 to 8.2 percent in September 2006 is due to the increase in the inflation rate for food, beverages and tobacco main group.

Of the total 8.2 percent annual inflation in September 2006, food products accounted for 0.8 of a percentage point while non-food products in the Consumer Price Index (CPI) accounted for a total of 7.4 percentage points.

Items	Percentage Points Contributions of different items to overall inflation											
	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
Food Beverages and Tobacco	9.9	9.6	9.3	6.8	5.4	5.8	4.4	2.9	2.9	2.2	0.2	0.8
Clothing and Footwear	1.2	1.1	1.1	1.2	1.5	1.7	1.9	2.2	2.1	2.2	2.2	2.2
Rent and household energy	2.9	2.8	2.6	1.9	1.6	1.7	1.5	1.5	1.1	1.3	1.6	1.6
Furniture and Household Goods	2.0	1.8	1.8	1.8	1.3	1.2	1.3	1.4	1.6	1.6	1.9	1.6
Medical Care	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Transport (fuel, airfares, new motor vehicles)	0.8	0.4	-0.3	-0.8	-0.9	-0.9	-1.0	-0.9	-0.6	-0.1	0.5	0.4
Recreation and Education	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.8	1.0	1.0	1.0
Other Goods and Services	0.5	0.5	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4
All Items	18.3	17.2	15.9	12.2	10.3	10.7	9.4	8.6	8.5	8.7	8.0	8.2

Source: CSO, Consumer Price Index, September 2006

The Annual Food Inflation Rate Increases in September 2006

The annual food inflation rate was recorded at 1.5 percent in September 2006, increasing by 1.1 percentage points on the August rate of 0.4 percent. Contributing most to the increase in food inflation were increases in the cost of maize grain, maize meal, fresh vegetables, fish, kapenta, meat, sweet potatoes, dried beans, table salt and other processed food items.

The annual non-food inflation rate stood at 15.7 percent in September 2006, compared with 16.4 percent in August 2006. This decline was mainly due to decreases in annual inflation rates for furniture and household goods, transport and communications, rent and household energy.

Annual Inflation Rates: Food and Non food Items

Period	Total	Food	Non-Food
Jan 05 - Jan 03	18.2	17.9	18.7
Feb 05 - Feb 04	18.7	18.3	19.1
Mar 05 - Mar 04	17.4	16.0	19.0
April 05 – April 04	18.6	18.0	19.3
May 05 - May 04	19.1	19.1	19.2
Jun 05 - Jun 04	19.2	19.3	19.2
Jul 05 - Jun 04	18.7	18.7	18.7
Aug 05 - Aug 04	19.3	20.4	18.2
Sep 05 - Sep 04	19.5	20.7	18.2
Oct 05 - Oct 04	18.3	18.8	17.8
Nov 05 - Nov 04	17.2	18.3	16.1
Dec 05- Dec 04	15.9	17.5	14.0
Jan 06 - Jan 05	12.2	12.8	11.5
Feb 06 - Feb 05	10.3	10.2	10.3
Mar 06 - Mar 05	10.7	10.9	10.4
April 06 – April 05	9.4	8.3	10.6
May 06 - May 05	8.6	5.6	12.0
Jun 06 - Jun 05	8.5	5.4	11.8
Jul 06 - Jul 05	8.7	4.3	13.6
Aug 06 - Aug 05	8.0	0.4	16.4
Sep 06 - Sep 05	8.2	1.5	15.7

Source: CSO, Consumer Price Index, September 2006

Maize Grain Prices Increase

A comparison of prices between August 2006 and September 2006, shows that the national average price of a 25 kg bag of roller meal increased by 0.5 percent, from K24,599 to K24,713. The national average price of a 20 litre tin of maize grain increased by 7.2 percent, from K11,148 to K11,949. The national average price of 1kg of tomatoes increased by 4.8 percent, while the national average price of 1kg of dried Kapenta (Siavonga) increased by 2.0 percent.

The high weight of maize grain, maize meal, fish/kapenta and fresh vegetables in the CPI means that any changes in the prices of these products have a strong bearing on the movements of the Consumer Price Index (CPI)

National Average prices for selected Products and Months

Product Description	2006									Percentage Changes Sep-06/ Aug-06
	Jan	Feb	Mar	April	May	June	July	Aug	Sep	
White breakfast 25Kg	43829	43325	43313	43470	42469	38620	37165	36440	36103	-0.9
White Roller 25Kg	36477	36600	36491	36724	34370	27941	25406	24599	24713	0.5
Samp 1 Kg	3360	3253	3858	3900	3242	3232	2817	2903	3014	3.8
White Maize 20 litre tin	21106	23184	22433	17950	12906	11619	11193	11148	11948	7.2
Fillet Steak 1 Kg	20539	20950	21691	21982	21210	20443	20196	20442	20881	2.1
Brisket 1 Kg	13574	13975	14386	14317	14230	13990	13810	13997	14177	1.3
Mince Meat 1 Kg	16386	16799	17567	16627	16539	16245	16067	16868	17251	2.3
Mixed Cut 1 Kg	12714	12865	13451	13439	13331	13215	13031	12990	13094	0.8
Beef Sausages 1 Kg	16884	17258	17563	18359	18660	17649	17697	16927	17877	5.6
Offals 1 Kg	8210	8104	8304	8221	8359	8349	8347	8345	8434	1.1
Pork chops 1 Kg	17763	19736	19880	20560	19632	19343	18408	17957	18475	2.9
Pork Sausages 1 Kg	17905	19651	19965	20463	21092	19131	20785	19787	20284	2.5
Dressed chicken 1 Kg	13519	13542	13723	13576	12615	12451	12440	11696	11672	-0.2
Bream Fresh/Frozen 1 Kg	12063	12014	11411	12082	12696	12071	12257	11690	12030	2.9
Buka Buka 1 Kg	10078	10038	10053	9923	10655	10735	10969	10890	11318	3.9
Dried Kapenta Mpulungu 1 kg	31966	31422	32824	31246	31838	32054	35373	33098	33725	1.9
Dried Kapenta Siavonga 1 kg	31868	29832	31159	32273	30732	28724	28660	28597	29178	2.0
Dried Kapenta Chisense 1 kg	22538	22757	20939	17293	17370	15699	16797	17608	17718	0.6
Dried bream 1 Kg	24350	23598	23398	23167	22856	21277	21849	22087	22431	1.6
Fresh milk (Pasteurised) 500ml	2051	2080	2398	2414	2300	2275	2151	2007	2043	1.8
Fresh milk Super Milk 500 ml	2784	2796	2860	2873	2891	2878	2841	2863	2856	-0.2
Eggs 1 Unit	5786	5761	5643	5567	5438	5361	5530	5537	5577	0.7
Margarine Buttercup 250gm	5058	5044	4804	4682	4957	4957	4903	4889	5028	2.8
Cooking oil Imported Any 750 ml	6180	5986	6018	5815	5611	5326	5237	5029	5206	3.5
Cooking oil Local Any 2.5 litre	18829	18350	18407	18058	17892	17412	16991	17285	17318	0.2
Cabbage 1kg	1371	1339	1449	1423	1257	1192	1002	983	960	-2.3
Onion 1kg	4134	4256	4575	5574	5287	5295	5122	4292	4486	4.5
Carrots 1kg	5776	5291	5880	5867	4944	3484	4192	3486	3736	7.2
Tomatoes 1kg	2712	2372	2423	2359	2783	3209	2803	2210	2317	4.8
Rape 1kg	2114	1903	1799	2027	1794	1689	1599	1520	1487	-2.2
Fresh okra 1kg	4730	4641	3833	3461	3552	4540	4739	5396	5424	0.5
Dried beans 1kg	6077	6382	6282	5820	5645	5640	5471	5650	5754	1.8
Banana 1kg	3038	2892	3887	3464	3202	3106	2978	2729	3134	14.8
Sweet potatoes 1kg	1897	2460	1740	1032	952	1023	1226	1299	1730	33.2
Irish potatoes 1kg	3348	3059	2735	2552	2465	2381	2601	2522	2555	1.3
Charcoal 50 kg bag	16947	17316	17627	17352	17186	17608	17893	17780	17357	-2.4
Paraffin 1 litre	3875	3790	3769	3772	3743	3939	3977	4116	4122	0.1
Petrol Premium 1 litre	5433	5136	5097	5122	5322	5775	6003	6152	6155	0.0
Air fare Lusaka/London British Airways	3092418	3036060	3090600	3090600	4472973	4870876	3271640	3721950	3836825	3.1
Air Fare Lusaka/Ndola Zambian Airways	442000	447850	442000	442000	326000	355000	462800	575100	592850	3.1
Bed & Continental breakfast 2 Star down to Motel	97744	100919	99311	100602	99224	101415	104825	102459	103087	0.6
Nshima with Beef 2 Star Hotel	20421	21029	20144	19658	19837	20133	19116	19683	19817	0.7
Nshima with Beef relish Restaurant	8102	7993	8047	8481	7954	8319	8282	8229	8293	0.8

Source: CSO, Consumer Price Index, September 2006

Consumer Price Index (CPI) - Explanatory Notes

1. What is Inflation?

Inflation is (a general rise) the continuous and persistent increase in prices of goods and services on which individuals or households spend their money.

2. How is Inflation Measured?

The Consumer Price Index (CPI) is used to measure and monitor inflation. The Consumer Price Index (CPI) is an index that measures the rate at which prices of consumption goods and services are changing from month to month (or from quarter to quarter).

3. Annual Inflation Rate

The annual inflation rate is calculated as the change in the Consumer Price Index (CPI) of the relevant month of the current year compared with the Consumer Price Index (CPI) of the same month in the previous year expressed as a percentage.

4. Average Annual Inflation Rate

The average annual inflation rate is the change in the CPI of one year compared with the average CPI of the previous year expressed as a percentage.

5. Monthly Inflation Rate

The monthly inflation rate is calculated as the change in the Consumer Price Index (CPI) of the relevant month compared with the Consumer Price Index (CPI) of the previous month expressed as a percentage.

6. Prices Collection

The Consumer Price Index (CPI) is compiled using retail prices of goods and services that are collected every month from shops or other retail outlets throughout Zambia. Enumerators (41) are based in all the 9 provinces and these are responsible for the collection of prices. From 1st to about 15th of each month, Enumerators visit selected outlets collecting prices for CPI basket. This information is then submitted to the head office for data processing and analysis.

7. Consumer Price Index (CPI) Coverage

The CPI covers the whole country - both rural and urban areas.

- 9 provinces
- 41 districts are covered
- 1785 shops and retail outlets covered
- An average of 15,000 prices are collected and processed each month

8. Consumer Price Index (CPI) Basket

While the Consumer Price Index is designed to reflect price changes over the whole range of goods and services on which households spend their money, it is practically impossible to collect prices month by month for each and every one of these goods and services. Therefore, a sample of goods and services is selected to represent the price movements of all goods and services. Prices for 357 items are collected every month.

9. Consumer Price Index (CPI) Weights

The CPI is a fixed weights index, which implies that the weight of each product/group stays the same until the income and expenditure survey is conducted. The current weights are based on the results of the 1993/94 Household Budget Survey. The results from the 2002/3 Living Conditions Monitoring Survey (LCMS) will be used to update the weights for the New CPI.

As some items are more important than others in the sense that more money is spent on them by the consumers, each item is given a 'weight' to represent its relative importance in the household's total expenditure budget. These weights are used in the computation of the CPI.

Consumer Price Index – Main Group Weights

Main Group	Weight
Food, Beverages and tobacco	571
Clothing and Foot wear	68
Rent and Household Energy	85
Furniture and household Goods	82
Medical Care	8
Transport and Communication	96
Recreation and Education	49
Other Goods and Services	41
Total	1,000

Consumer Price Index: Methodology

The individual product level indices are evaluated in three stages. Stage 1 begins at the district level. Stage 2 calculates province level index numbers. Stage 3 calculates national level index numbers

The following formula is used to calculate product indices :

$$I_i^{0:t} = \frac{1}{n_{i,j}} \sum_{j=1}^{n_{i,j}} \left(\frac{P_{i,j}^t}{P_{i,j}^0} \right)$$

where

$I_i^{0:t}$ is an index for product i showing the average change between period 0 and t. It is calculated as arithmetic average of price relatives for all outlets which provided prices in both months.

$n_{i,j}$ is the number of outlets providing price data for product i in period 0 and t.

$P_{i,j}^t$ is the price of product i in outlet j in a month t.

$P_{i,j}^0$ is the price of product i in outlet j in a month 0.

0 is the base period
t is the current period

International Merchandise Trade

Trade Deficit Recorded in August 2006

During the month of August, Zambia recorded a Trade deficit valued at K 33.6 billion compared to a surplus of K113.8 billion in July 2006. Trade Deficits were also recorded in the months of January, February, March, and June 2006. This means that the country imported more in these months than it exported in value terms.

However, it is worth noting that, the figures in the table below are preliminary and subject to revision up on receipt of additional trade data from customs and non-customs sources.

Total Exports, Imports & Trade Balance, January 2006 to August 2006*, (K' Millions)

Months	Imports (Cif)	Domestic Exports (fob)	Re-Exports (fob)	Total Exports (fob)	Trade Balance
January	660,170	590,658	3,143	593,801	(66,368)
February	611,777	597,661	1,885	599,546	(12,231)
March	775,154	725,025	973	725,997	(49,156)
April	685,995	689,703	9,684	699,387	13,392
May	755,798	865,947	1,646	867,593	111,795
June	938,234	879,312	1,733	881,045	(57,189)
July	706,074	818,283	1,647	819,930	113,856
August	1,066,101	1,032,140	388	1,032,528	(33,573)
TOTAL:	6,199,301	6,198,728	21,100	6,219,828	20,526

Source: CSO, International Trade Statistics, 2006,

Note: (*) Provisional

Exports by SITC

The table below shows the total value of exports in July and August 2006 classified by the Standard International Trade Classification (SITC).

The total value of exports in July 2006 was K820.0 billion compared to K1,032.5 billion in August 2006. The prominent exports were manufactured goods classified chiefly by material; which accounted for

77.9 percent in July 2006 and 79.1 percent in August 2006. The most significant export within this product category was refined copper. Other important exports were crude materials (excluding fuels) such as copper ores and concentrates, cobalt ores and concentrates, sulphur, cotton and salt, which accounted for 11.1 and 9.8 percent in July and August 2006 respectively.

Total Exports by (SITC) sections, July and August 2006*, K' Millions

CODE	DESCRIPTION	July - 2006		August - 2006	
		Value	% Share	Value	% Share
0	Food and live animals	34,616	4.2	44,312	4.3
1	Beverages and tobacco	28,330	3.5	39,358	3.8
2	Crude materials, (excl fuels)	90,835	11.1	101,006	9.8
3	Mineral fuels, lubricants and related materials	6,408	0.8	5,644	0.5
4	Animal and vegetable oils, fats and waxes	144	0.0	384	0.0
5	Chemicals	5,628	0.7	7,247	0.7
6	Manufactured goods classified chiefly by material	638,828	77.9	816,496	79.1
	Refined copper	422,704	66.2	527,108	64.6
	Plates, sheets and strip, of refined copper, >0.15mm thick	113,462	17.8	104,185	12.8
	Wire of refined copper	46,346	7.3	68,368	8.4
	Cobalt, wrought, and articles of cobalt, nes	30,085	4.7	46,448	5.7
	Cotton yarn (excl. sewing thread), with >=85% cotton, for retail sale	6,048	0.9	4,562	0.6
	Portland cement	5,477	0.9	5,097	0.6
	Unrefined copper: copper anodes for electrolytic refining	5,090	0.8	37,519	4.6
	Intermediate products of cobalt metallurgy: cobalt, unwrought	2,539	0.4	6,048	0.7
	Other	7,076	1.1	17,161	2.1
7	Machinery and transport equipment	13,253	1.6	12,804	1.2
8	Miscellaneous manufactured articles	1,752	0.2	5,160	0.5
9	Commodities and transactions not classified elsewhere in the SITC	136	0.0	119	0.0
TOTAL:		819,930	100.0	1,032,528	100.0

Source: CSO, International Trade Statistics, 2006; Note: (*) Provisional

Zambia's Major Exports in August 2006

The table below shows Zambia's major export products in August 2006 classified by the Harmonized coding System (HS).

According to the HS coding system, Zambia's major export product in August 2006 was copper accounting for 71.5 percent of Zambia's total export earnings. Other export products worth noting,

though on a smaller scale were ores, slags and ash (5.3 percent), other base metals - such as cobalt (5.1 percent) which are copper related, cotton (4.0 percent), tobacco (3.8 percent) and sugars (2.2 percent). These six product categories collectively accounted for 91.8 percent of Zambia's total export earnings.

Zambia's Major Exports by HS Chapter for August 2006*, K' Millions

HS Chapter Code	Description	Value (ZMK)	% Share
74	Copper And Articles Thereof	737,767	71.5
26	Ores, Slag And Ash	54,753	5.3
81	Other Base Metals; Cermets; Articles Thereof	52,496	5.1
52	Cotton	41,365	4.0
24	Tobacco And Manufactured Tobacco Substitutes	39,307	3.8
17	Sugars And Sugar Confectionery	22,657	2.2
71	Natural/Cultured Pearls, Precious Stones & Metals, Coin Etc	13,668	1.3
85	Electrical Mchy Equip Parts Thereof; Sound Recorder Etc	11,069	1.1
07	Edible Vegetables And Certain Roots And Tubers	10,796	1.0
25	Salt; Sulphur; Earth & Stone; Plastering Mat; Lime & Cement	6,072	0.6
27	Mineral Fuels, Oils & Product Of Their Distillation; Etc	5,644	0.5
11	Prod Mill Indust; Malt; Starches; Insulin; Wheat Gluten	4,471	0.4
09	Coffee, Tea, Mate And Spices	2,941	0.3
06	Live Tree & Other Plant; Bulb, Root; Cut Flowers Etc	2,742	0.3
34	Soap, Organic Surface-Active Agents, Washing Prep, Etc	2,660	0.3
	Other	24,120	2.3
TOTAL:		1,032,528	100.0

Zambia's Major Export Destinations in August 2006

The four major destinations of Zambia's exports during the month of August 2006 were Switzerland (32.5 percent), South Africa (29.6 percent), Tanzania (9.8 percent) and the United Kingdom (8.4 percent). These four countries collectively accounted for 80.4 percent of Zambia's total exports. However, it should be noted that most of the export products

to these countries are copper related products and that these countries are mainly trans-shipment points to other final destinations. Other important outlets for Zambia's exports were Congo (DR), China, Zimbabwe, Malawi, India and Japan, all accounting for 14.1 percent of Zambia's total exports in August 2006.

Zambia's Major Export Destinations by Country, August 2006, K' Millions

COUNTRY	Value (ZMK)	% Share
Switzerland	335,561	32.5
South Africa	305,758	29.6
Tanzania	101,252	9.8
United Kingdom	87,200	8.4
Congo (DR)	40,317	3.9
China	36,976	3.6
Zimbabwe	24,313	2.4
Malawi	18,387	1.8
India	12,738	1.2
Japan	12,443	1.2
France	10,690	1.0
United States of America	8,238	0.8
Kenya	7,906	0.8
Other	30,748	3.0
TOTAL:	1,032,528	100.0

Source: CSO, International Trade Statistics, 2006; Note: (*) Provisional

Export Market Shares by Regional Groupings

The Southern African Development Community grouping of countries (SADC) was the largest market for Zambia's exports accounting for 53.9 percent and 48.0 percent of Zambia's total exports in July and August 2006 respectively. Within SADC region, South Africa was the major market for Zambia's exports accounting for 58.9 percent in July and 61.7 percent in August 2006.

The European Union (EU) was the second largest destination of Zambia's exports after SADC, accounting for 15.8 and 10.9 percent in July and August 2006 respectively. Within the EU, the dominant market was the United Kingdom with market shares of 66.4 and 77.2 percent in the respective months. Other key markets were France, Netherlands and Belgium collectively accounting for 24.4 and 17.5 percent in July and August respectively.

The Common Market for Eastern and Southern Africa region (COMESA) was the third largest destination of Zambia's exports after SADC and the EU. Within COMESA, Congo (DR) was the key destination accounting for 40.3 and 44.0 percent in July and August 2006 respectively; followed by Zimbabwe with 27.4 percent in July and 26.5 percent in August 2006. The third country was Malawi with 22.3 and 20.1 percent in July and August 2006 respectively.

The Asian regional grouping was fourth accounting for 3.5 and 7.0 percent of Zambia's total exports in July and August 2006 respectively. Within the Asian market, China dominated accounting for 82.6 percent in July 2006 and 51.3 percent August 2006. Other notable destinations included Japan and Hong Kong jointly accounting for 12.3 and 23.4 percent in July and August 2006, respectively.

Export Market Shares by Regional Groupings, July and August 2006*

GROUPING	July - 2006		GROUPING	August - 2006	
	Value (K'Millions)	% Share		Value (K'Millions)	% Share
SADC	441,908	100.0	SADC	495,331	100.0
South Africa	260,108	58.9	South Africa	305,758	61.7
Tanzania	109,795	24.8	Tanzania	101,252	20.4
Congo (DR)	28,784	6.5	Congo (DR)	40,317	8.1
Zimbabwe	19,592	4.4	Zimbabwe	24,313	4.9
Malawi	15,922	3.6	Malawi	18,387	3.7
Other SADC	7,707	1.7	Other SADC	5,303	1.1
% of Total July Exports:	53.9		% of Total August Exports:	48.0	
EUROPEAN UNION	129,271	100.0	EUROPEAN UNION	112,909	100.0
United Kingdom	85,880	66.4	United Kingdom	87,200	77.2
France	16,186	12.5	France	10,690	9.5
Portugal	9,136	7.1	Netherlands	5,057	4.5
Belgium	8,216	6.4	Belgium	3,939	3.5
Netherlands	7,061	5.5	Germany	2,282	2.0
Other EU	2,792	2.2	Other EU	3,741	3.3
% of Total July Exports:	15.8		% of Total August Exports:	10.9	
COMESA	71,421	100.0	COMESA	91,593	100.0
Congo (DR)	28,784	40.3	Congo (DR)	40,317	44.0
Zimbabwe	19,592	27.4	Zimbabwe	24,313	26.5
Malawi	15,922	22.3	Malawi	18,387	20.1
Kenya	5,705	8.0	Kenya	7,906	8.6
Other COMESA	1,418	2.0	Other COMESA	670	0.7
% of Total July Exports:	8.7		% of Total August Exports:	8.9	
ASIA	28,920	100.0	ASIA	72,060	100.0
China	23,893	82.6	China	36,976	51.3
Japan	2,075	7.2	India	12,738	17.7
Hong Kong	1,486	5.1	Japan	12,443	17.3
Taiwan	1,104	3.8	Hong Kong	4,389	6.1
Other ASIA	363	1.3	Other ASIA	5,515	7.7
% of Total July Exports:	3.5		% of Total August Exports:	7.0	

Source: CSO, International Trade Statistics, 2006; Note: (*) Provisional; Note: Some countries are members of both SADC and COMESA

Imports by SITC

The table below shows the total value of imports in July and August 2006 classified by the Standard International Trade Classification (SITC).

The total value of imports in July 2006 was K706.1billion compared to K1,066.1billion in August 2006. The prominent imports were machinery and transport equipment, which

accounted for 39.5 percent in July 2006 and 35.2 percent in August 2006 respectively. Other important imports were Mineral fuels, lubricants and related materials, chemicals, and manufactured goods classified chiefly by material; which collectively accounted for 45.8 and 53.5 percent in July and August 2006 respectively.

Total Imports by Standard International Trade Classification (SITC) Sections, July and August 2006*, K 'Millions

CODE	DESCRIPTION	July - 2006		August - 2006	
		Value	% Share	Value	% Share
0	Food and live animals	30,827	4.4	24,081	2.3
1	Beverages and tobacco	2,271	0.3	2,133	0.2
2	Crude materials, (excl fuels)	21,660	3.1	22,873	2.1
3	Mineral fuels, lubricants and related materials	110,156	15.6	269,652	25.3
4	Animal and vegetable oils, fats and waxes	15,436	2.2	16,808	1.6
5	Chemicals	98,585	14.0	158,765	14.9
6	Manufactured goods classified chiefly by material	114,625	16.2	141,887	13.3
7	Machinery and transport equipment	279,123	39.5	375,454	35.2
8	Miscellaneous manufactured articles	32,972	4.7	54,082	5.1
9	Commodities and transactions not classified elsewhere in the SITC	420	0.1	367	0.0
TOTAL:		706,074	100.0	1,066,101	100.0

Source: CSO, International Trade Statistics, 2006; Note: (*) Provisional

Zambia's Major Imports by HS

The table below shows Zambia's major import products in August 2006 classified by the Harmonized coding System (HS).

According to the HS coding system, Zambia's major import products in August 2006 were Mineral fuels, oils and products of their distillation, boilers,

machinery & mechanical appliances, Vehicles and electrical machinery equipment. These three product categories collectively accounted for about 60.4 percent of the total value of imports for the month. Other important import products were articles of iron and steel accounting for 4.2 percent, pharmaceutical products with 4.1 percent and fertilizers accounting for 3.1 percent.

Zambia's Major Imports by HS Chapters for August 2006, K' Millions

Hs Chapter Code	Description	Value (ZMK)	% Share
27	Mineral Fuels, Oils & Product of their Distillation; etc	269,836	25.3
84	Nuclear Reactors, Boilers, Mchy & Mech Appliance; Parts	177,999	16.7
87	Vehicles O/T Railw/Tranw Rool-Stock, Pts & Accessories	103,147	9.7
85	Electrical Mchy Equip Parts Thereof; Sound Recorder etc	92,807	8.7
73	Articles Of Iron And Steel	45,147	4.2
30	Pharmaceutical Products	43,819	4.1
31	Fertilisers	33,550	3.1
39	Plastics And Articles Thereof	29,889	2.8
72	Iron And Steel	29,439	2.8
38	Miscellaneous Chemical Products	20,794	2.0
40	Rubber And Articles Thereof	19,656	1.8
15	Animal/Vegetable Fats & Oil & Their Cleavage Products; Etc	18,246	1.7
48	Paper & Paperboard; Art Of Paper Pulp, Paper/Paperboard	13,508	1.3
25	Salt; Sulphur; Earth & Stone; Plastering Mat; Lime & Cement	12,664	1.2
94	Furniture; Bedding, Mattress, Matt Support, Cushion Etc	11,036	1.0
	Other	144,564	13.6
TOTAL:		1,066,101	100.0

Source: CSO, International Trade Statistics, 2006; Note: (*) Provisional

Zambia's Major Import Sources by Country, August 2006

The major source of Zambia's imports in August 2006 was South Africa, accounting for 45.2 percent of the total value of imports for the month of August 2006. The major import products from South Africa were: mineral/chemical fertilizers, gas oil (diesel) and motor spirit (petrol), vehicles and dumpers for off-high way use. The second main source was United Arab Emirates (UAE) accounting for 21.4 percent of Zambia's imports in August 2006. The major import products from the UAE were: crude petroleum oils and oils obtained from bituminous minerals and tube mills. Other notable sources of Zambia's imports were the United States of America, the United Kingdom, Zimbabwe, China, Sweden, and India collectively accounting for 16.0 percent of Zambia's total imports for the month.

Zambia's Top Import Sources by country, August 2006, K'Millions,

COUNTRY	Value (ZMK)	% Share
South Africa	481,517	45.2
United Arab Emirates	227,952	21.4
United States of America	35,347	3.3
United Kingdom	30,868	2.9
Zimbabwe	30,394	2.9
China	27,875	2.6
Sweden	23,230	2.2
India	22,648	2.1
Kenya	17,837	1.7
Japan	14,678	1.4
Germany	12,891	1.2
France	12,521	1.2
Australia	12,013	1.1
Netherlands	11,772	1.1
Switzerland	11,375	1.1
Tanzania	10,821	1.0
Other	82,361	7.7
TOTAL:	1,066,101	100.0

Source: CSO, International Trade Statistics, 2006; Note: (*) Provisional

Import Market Shares by Regional Groupings

The Southern African Development Community grouping of countries (SADC) was the largest source of Zambia's imports accounting for 63.1 percent and 51.1 percent of Zambia's total imports in July and August 2006 respectively. Within SADC region, South Africa was the major source of Zambia's imports accounting for 81.5 percent in July and 88.5 percent in August 2006.

The Asian regional grouping was the second largest source of Zambia's imports after SADC accounting for 23.5 and 29.7 percent in July and August 2006 respectively. Within the Asian market, the United Arab Emirates (UAE) dominated accounting for 36.6 percent in July 2006 and 71.9 percent in August 2006. China was second with 28.9 and 8.8 percent in July and August 2006 respectively. Other notable sources include India and Japan jointly accounting for 21.2 percent in July 2006 and 11.7 percent in August 2006.

The Common Market for Eastern and Southern Africa region (COMESA) was the third largest source of Zambia's imports after SADC and Asia. Within COMESA, Zimbabwe was the main source accounting for 61.1 and 48.6 percent in July and August 2006 respectively; followed by Kenya with 21.3 percent in July and 28.5 percent in August 2006. Other notable sources were Congo (DR) and Malawi jointly accounting for 11.5 and 15.8 percent in July and August 2006 respectively.

The European Union (EU) was the fourth largest source of Zambia's imports after SADC, Asia and COMESA accounting for 6.9 and 10.7 percent in July and August 2006 respectively. Within the EU, the dominant source in July 2006 was Sweden accounting for 22.3 percent followed by Germany with 21.8 percent and the United Kingdom with 21.0 percent. However, in August 2006 the United Kingdom dominated as the largest source of Zambia's imports with 27.0 percent followed by Sweden with 20.3 percent. Other key markets were France and the Netherlands.

Import Market shares by major Regional groupings, July and August 2006*

GROUPING	July - 2006		GROUPING	August - 2006	
	Value (K'Millions)	% Share		Value (K'Millions)	% Share
SADC	445,381	100.0	SADC	544,346	100.0
South Africa	363,205	81.5	South Africa	481,517	88.5
Zimbabwe	48,217	10.8	Zimbabwe	30,394	5.6
Mozambique	8,778	2.0	Tanzania	10,821	2.0
Tanzania	8,244	1.9	Congo (DR)	6,064	1.1
Congo (DR)	6,015	1.4	MALAWI	3,842	0.7
Other SADC	10,921	2.5	Other SADC	11,707	2.2
% of Total July Imports:	63.1		% of Total August Imports:	51.1	
ASIA	165,994	100.0	ASIA	316,905	100.0
United Arab Emirates	64,048	38.6	United Arab Emirates	227,952	71.9
China	48,021	28.9	China	27,875	8.8
India	20,085	12.1	India	22,648	7.1
Japan	15,039	9.1	Japan	14,678	4.6
Other Asia	18,801	11.3	Other Asia	23,752	7.5
% of Total July Imports:	23.5		% of Total August Imports	29.7	
COMESA	78,972	100.0	COMESA	62,549	100.0
Zimbabwe	48,217	61.1	Zimbabwe	30,394	48.6
Kenya	16,820	21.3	Kenya	17,837	28.5
Congo (DR)	6,015	7.6	Congo (DR)	6,064	9.7
Malawi	3,054	3.9	Malawi	3,842	6.1
Other COMESA	4,866	6.2	Other COMESA	4,412	7.1
% of Total July Imports:	11.2		% of Total August Imports	5.9	
EUROPEAN UNION	48,760	100.0	EUROPEAN UNION	114,299	100.0
Sweden	10,863	22.3	United Kingdom	30,868	27.0
Germany	10,608	21.8	Sweden	23,230	20.3
United Kingdom	10,218	21.0	Germany	12,891	11.3
Netherlands	8,390	17.2	France	12,521	11.0
Other EU	8,680	17.8	Other EU	34,789	30.4
% of Total July Imports:	6.9		% of Total August Imports	10.7	

Source: CSO, International Trade Statistics, 2006; Note: (*) Provisional
Note: Some countries are members of both SADC and COMESA

Industrial Production

Industrial Output Increases in the first quarter of 2006

In the first quarter of 2006, the total index of industrial production increased by 14.0 percent compared to the first quarter of 2005. The increase

is mainly attributed to the growths in mining and quarrying, manufacturing and electricity generation sectors.

PERIOD	WEIGHT	2005					2006	YEAR ON YEAR PERCENTAGE CHANGE		
		Q1	Q2	Q3	Q4	TOTAL		2005 Q1	2006 Q1	
TOTAL INDEX	1.000	131.8	130.4	133.2	141.9	134.3	150.2	5.0	14.0	
MINING	TOTAL MINING	0.350	174.0	166.0	167.1	170.6	169.4	213.1	4.1	22.5
	Coal	0.005	68.6	97.3	84.7	105.2	89.0	35.4	140.3	(48.4)
	Non-ferrous Ore	0.242	174.7	174.7	164.6	177.4	172.8	215.2	(5.5)	23.2
	Stone Quarrying	0.103	177.1	148.6	176.5	157.6	165.0	215.9	34.5	21.9
MANUFACTURING	TOTAL MANUFACTURING	0.511	108.8	111.2	116.6	131.1	116.9	113.6	7.5	4.4
	Food, Beverages & Tobacco	0.235	123.4	137.1	147.9	166.3	143.7	126.8	14.1	2.7
	Textile, Clothing & Leather	0.060	63.3	46.9	56.4	119.8	71.6	68.5	(3.5)	8.2
	Wood & Wood Products	0.006	177.6	173.0	140.7	144.7	159.0	166.6	8.1	(6.2)
	Paper & Paper Products	0.017	91.1	90.3	75.3	92.4	87.3	93.3	8.0	2.5
	Chemicals, Rubbers & Plastics	0.059	104.4	81.8	98.1	67.0	87.8	111.0	2.9	6.3
	Non-metallic Mineral Products	0.025	150.7	171.9	147.2	154.4	156.0	161.2	11.9	7.0
	Basic Metal Industries	0.009	63.8	64.7	72.4	67.7	67.2	66.2	(4.3)	3.8
	Fabricated Metal Products	0.100	96.3	94.8	91.8	98.2	95.3	103.2	(3.1)	7.2
ELECTRICITY	0.139	110.0	111.3	108.7	109.6	109.9	126.7	(0.5)	15.1	

Source: Index of industrial production-CSO
(): means negative

Copper output up, cobalt and coal output down

Real output in the mining and quarrying sectors increased by 22.5 percent in the first quarter of 2006 compared to marginal growth of 4.1 percent in the corresponding quarter of 2005. The growth was mainly influenced by the higher production in the copper mining and stone quarrying sectors.

The coal output declined by 48.4 percent in the first quarter of 2006 compared to a significant increase of 140.3 percent in the first quarter of 2005. Coal production dropped from 32240.0 metric tonnes in the first quarter of 2005 to 16641.0 metric tonnes in the first quarter of 2006. This decline was mainly due to breaking down of machinery in the sector.

The non-ferrous ore mining output in the first quarter of 2006 grew by 23.2 percent when compared to a reduction of 5.5 percent in the corresponding quarter of the previous year. The main reason for this sector registering a significant growth is the increase in copper production.

Copper production rose by 34.0 percent from 95,725.2 metric tonnes in the first quarter of 2005 to 128,246.1 metric tonnes in the corresponding quarter in 2006. However, in the first period of 2006, cobalt production declined by 21.9 percent from 1,515.8 metric tonnes in the first quarter of 2005 to 1,183.7 metric tonnes in the corresponding quarter of 2006.

Quarterly Production of Copper, Cobalt and Coal in metric tonnes for 2004 and the first quarter of 2006 (Metric tonnes)

Year	2005					2006	
	Q1	Q2	Q3	Q4	Total	Q1	Percentage Change
Copper	95,725.2	116,214.2	117,046.8	136,015.8	465,002.0	128,246.1	34.0
Cobalt	1,515.8	1,360.5	1,387.8	1,269.4	5,533.5	1183.7	(21.9)
Coal	32240.0	40,150.0	37873.0	38649.0	148912.0	16641.0	(48.4)

Source: Index of industrial production-CSO

(-): means negative

The Stone quarrying sector showed an increase of 21.9 percent in the period from January to March 2006 compared to a growth of 34.5 percent in the same period the previous year. This is owing to increased production of sand and crushed stones.

All manufacturing industries except wood industry experience growths

Manufacturing output in the first quarter of 2006 increased by 4.4 percent compared to a 7.5 percent increase in the same quarter a year ago. All industries except the wood industry registered increases in industrial output. The slow down in the increase of the manufacturing industry is mainly due to the marginal growth in the Food, Beverage and Tobacco sector.

There was a 2.7 percent growth in Food, Beverages and Tobacco sector in the first quarter of 2006 compared to a 14.1 percent growth in the same period in 2005. The increase in output is due to, among others, increase in production of grain mill products, clear beer and opaque beer.

In comparison to a decline of 3.5 percent in the first quarter of 2005, the Textiles, Clothing and Leather industries recorded an increase of 8.2 percent in production in the first quarter of 2006. The increase is as a result of increased production in the leather industry.

The Wood and wood products industry declined by 6.2 percent in the period January to March 2006 when compared to an increase of 8.1 percent in the same period the previous year. A reduction in wood processing was the main reason for the decline in output for this sector.

Electricity generation increases

Electricity generation has shown an increase of about 15.1 percent in the first quarter of 2006 in comparison to a marginal decline of 0.5 percent in the same quarter of 2005. The Main-hydropower stations that account for about 99 percent of the total production, increased generation by 15.1 in the first quarter of 2006 compared to the first quarter of the previous year. In the same period, an increase of 20.5 percent in generation was registered in the mini-hydropower stations whereas diesel power production declined by 3.0 percent.

Quarterly Generation of Electricity for 2005 and the first quarter of 2006 (KWh)

Year Period	2005					2006	
	Q1	Q2	Q3	Q4	Total	Q1	Percentage change
Main Hydro	1,973,487	2,116,665	2,259,240	2,169,123	8,518,515	2,271,341	15.1
Mini Hydro	9,354	11,675	9,853	6,512	37,394	11,271	20.5
Diesel	3,400	3,345	3,454	2,997	13,196	3,298	(3.0)
Total	1,986,241	2,131,685	2,272,547	2,178,301	8,568,774	2,285,910	15.1

Source: Index of industrial production-CSO
(): means negative

Living Conditions

Usage of Paraffin as a Source of Lighting Energy, on the Decline

The 2004 Living Conditions Monitoring Survey results indicate that the usage of paraffin as a source of lighting energy has declined. The results show that usage of paraffin has reduced from 62 percent in 1998 to about 46 percent in 2004. This represents a decline of about 16 percentage points. Usage of candles as a source of lighting has, however,

increased from 7 percent to 18 percent during the same period.

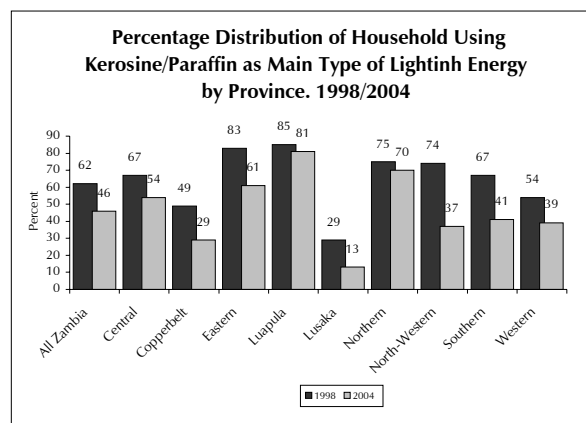
Rural and urban areas both recorded a decline in the number of households using paraffin as a source of lighting. The usage of paraffin by households in the rural areas reduced from 77 percent in 1998 to 62 percent in 2004. In urban areas usage of paraffin has reduce from 35 percent to about 19 percent during the same period. Usage of candles by rural households increased from 1 percent in 1998 to 10 percent in 2004. In urban areas usage of candles for lighting increased from 16 percent to 31 percent in the same reference period.

Percentage Distribution of Households by Main Type of Lighting Energy, 2004

Residence/ Province	Type of Lighting Energy														Total number of Households	
	Kerosene /Paraffin		Electricity		Candle		Diesel		Open Fire		Other		None		1998	2004
	1998	2004	1998	2004	1998	2004	1998	2004	1998	2004	1998	2004	1998	2004		
All Zambia	62.0	45.7	19	20.3	7	18.1	4	7.4	7	6.1	1	1.4	1	0.9	1,874,000	2,110,640
Rural	77.0	62.3	3	3.1	1	9.7	5	11.6	11	9.9	1	2	1	1.5	1,204,000	1,288,064
Urban	35.0	19.5	48	47.6	16	31.5	0	0.9	0	0.2	0	0.3	0	0.1	670,000	822,575
Province																
Central	67.0	53.8	20	12.4	3	16.8	7	13.3	2	1.9	0	1.3	0	0.6	184,000	207,194
Copperbelt	49.0	29.2	41	44.3	8	20.7	1	4.2	1	0.9	0	0.6	0	0.1	326,000	311,712
Eastern	83.0	61.3	2	8.2	2	13.3	4	8.7	7	5.4	0	1.6	2	1.5	256,000	290,224
Luapula	85.0	80.9	6	4.4	2	4.1	0	0.4	7	9.5	0	0.4	0	0.4	138,000	171,659
Lusaka	29.0	12.6	41	46.1	26	39.8	2	0.5	1	0.2	1	0.6	0	0.2	274,000	309,949
Northern	75.0	70.4	6	9.6	1	5.3	5	5.3	11	7.4	0	1.2	0	0.9	227,000	275,266
North Western	74.0	36.7	3	11.1	1	14.3	8	22	12	13.7	1	1.4	2	0.8	108,000	125,814
Southern	67.0	41.4	17	15.7	4	19.5	5	15.5	6	5.3	1	1.1	2	1.4	205,000	252,423
Western	54.0	39.2	3	4.2	2	19.3	3	4.5	32	23.9	2	5.5	4	3.4	161,000	166,219

Source: 2004 Living Conditions Monitoring Survey

At province level, there was a general decline in the usage of kerosene/paraffin as the main source of lighting energy among households in 2004 compared to 1998. Notable declines of usage were reported in Northwestern (74 to 37 percent), Southern (67 to 41percent) and Eastern (83 to 61percent). Other provinces with notable declines in the usage of kerosene/paraffin among households were recorded in Copperbelt and Lusaka.



Source: 2004 Living Conditions Monitoring Survey

Nearly Two in Every Three Households do not Treat Their Drinking Water

According to the 2004 Living Conditions Monitoring Survey results, most of the households in Zambia do not treat their drinking water. The results show that 63 percent of households at national level did not treat their drinking water. Urban households were more likely to treat their drinking water (57 percent) than their rural counterparts (24 percent).

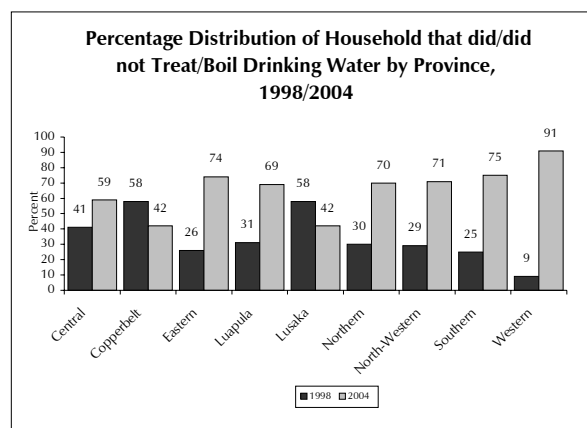
At stratum level, treatment of drinking water was less prevalent in the rural small scale compared to other strata. Only 23 percent of households among small scale farmers treated their drinking water compared to 56 percent of households among large scale farmers and 72 percent among fish farmers.

Proportion of Households that Treated/Boiled Drinking Water, 2004

Residence/Stratum/Province	Proportion that Treated/Boiled Drinking water (Wet and Dry Season)	Proportion that Did Not Treat/Boil Drinking water (Wet and Dry Season)	Total	Total number of Households
Zambia	36.7	63.3	100	2,110,640
Rural	24	76	100	1,288,064
Urban	56.8	43.2	100	822,575
Stratum				
Rural Small Scale	23	77	100	1,155,838
Rural Medium Scale	37.7	62.3	100	43,311
Rural Large Scale	56.2	43.8	100	3,569
Fish farming	72.2	27.8	100	1,620
Rural Non Agric	28.1	71.9	100	83726
Urban Low Cost	52.7	47.3	100	593,484
Urban Medium Cost	66.5	33.5	100	143,394
Urban High Cost	70.1	29.9	100	85,697

Source: LCMS2004

At provincial, level treatment of Drinking water was most common in Copperbelt and Lusaka provinces with 58 percent of households each, followed by Central Province with 41 percent. The least proportion of households that treated water were reported in Western province with only 9 percent.



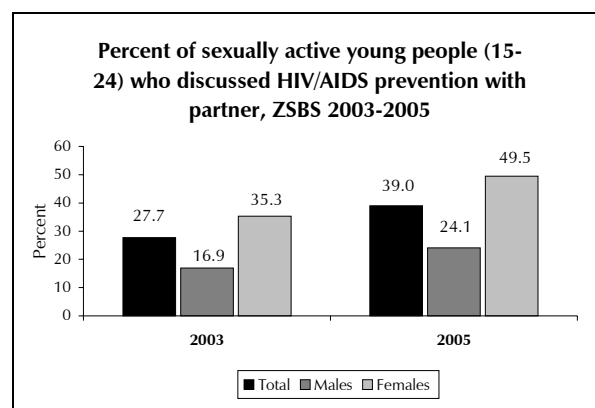
Source: 2004 Living Conditions Monitoring Survey

Demography

Communicating On HIV/AIDS Prevention Among The Youth Increases!

The proportion of sexually active young people (15-24) who reported discussing HIV prevention with their partner increased between 2003 and 2005, reveals the 2005 Zambia Sexual Behaviour Survey (ZSBS). Overall, 39 percent reported discussing with their partner in 2005 compared to 27.7 percent reported in 2003.

Analysis by sex shows that the proportion of females reporting to have discussed HIV prevention with their partners was higher than that of males in both 2005 and 2003. In 2005, females reported 49.5 percent while males reported 24.1 percent. More females, at 35.3 percent had discussed on HIV prevention with their partners compared 16.9 percent of males in the same age group in 2003.

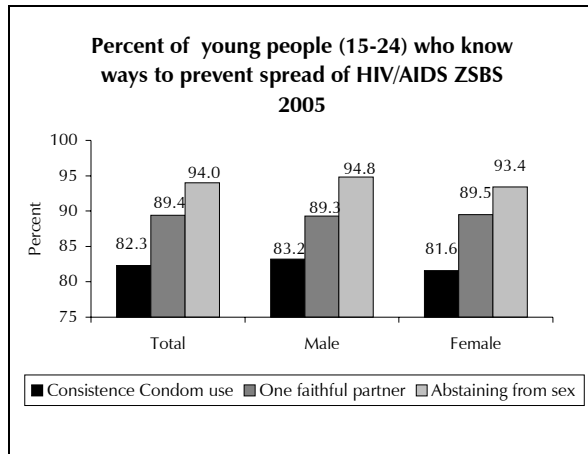


Source: 2005 Zambia Sexual Behaviour Survey.

The results further revealed that young people know more about abstinence than about consistent condom use and faithfulness to one sexual partner as an HIV prevention measure. Ninety-four percent reported knowing abstaining from sex as a preventive measure

compared to 82.3 percent for consistent condom use and 89.4 percent for one faithful partner.

A similar trend was observed among males and females. About 95 percent of males and 93.4 percent of females know about abstaining from sex as a preventive measure. However, those who reported consistent condom use and one faithful partner were 83.2 and 89.3 percent among males while females were 81.6 and 89.5 percent respectively.



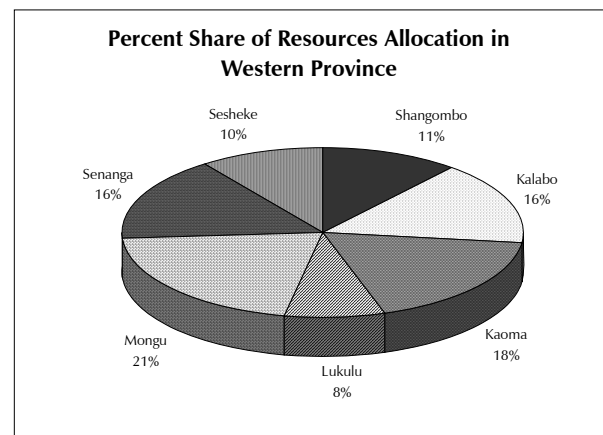
Source: 2005 Zambia Sexual Behaviour Survey.

Feature Article

Eighty Two percent of the population in Western Province is Poor!

Western Province recorded 687,519 (82 percent) persons living below the poverty line out of an estimated population of about 838,438. This is according to the latest findings from the 2004 Living Conditions Monitoring Survey (LCMS IV). However, the results show a decline in the percentage of poor persons in the province from 89 percent in 1998 to 82 percent in 2004.

In terms of resources needed to eradicate poverty or to bring all the poor persons to the poverty line, the province would need about K595.9 billion on an annual basis.



Western Province is divided into seven districts, namely: Kalabo, Kaoma, Lukulu, Mongu, Senanga, Seseke and Shangombo. In terms of resource allocation at district level, Mongu would get the largest share of 21 percent of the provincial resources followed by Kaoma with 18 percent. Lukulu District would be allocated the least share of the provincial resources at 8 percent.

Poverty levels higher among Female headed households!

The LCMS IV results revealed that poverty levels were higher among the female headed households than their male counterparts. The proportion of the poor among female headed households was 85 percent compared to 80 percent among male headed households in 2004. However, the proportion of the poor among female headed households declined by 8 percentage points, from 93 percent in 1998 to 85 percent in 2004, while the proportion of the poor among male-headed households also declined from 88 percent to 80 percent during the same period.

The proportion of the extremely poor in male-headed households declined from 77 percent in 1998 to 69 percent in 2004. A decrease was also recorded in the proportion of the extremely poor in female-headed households, from 85 percent in 1998 to 78 percent in 2004.

There was an increase in the proportion of the non-poor in both male-headed and female-headed households. The non-poor in male-headed households increased from 12 percent in 1998 to 20 percent in 2004. Similarly, in female-headed households, the non-poor increased by 8 percentage points from 7 percent to 15 percent during the same period.

Poverty and Sex of Head, Western Province, 1998 and 2004

Sex	Poverty Status – 1998 and 2004								Population by sex of household head.	
	Total poor		Extremely Poor		Moderately Poor		Not Poor		1998	2004
	1998 Percent	2004 Percent	1998 Percent	2004 Percent	1998 Percent	2004 Percent	1998 Percent	2004 Percent		
All Province	89	82	78	72	11	10	11	19	762,000	838,438
Male	88	80	77	69	11	11	12	20	578,091	591,464
Female	93	85	85	78	8	7	7	15	183,909	246,974

Education, Key to low Levels of Poverty

The survey results show that there is a relationship between the education level of the head of the household and the poverty status of that household. The highest proportion of the poor in 2004 was recorded in households where the head had no formal education at 89 percent. This was followed by those headed by persons with primary education at 83 percent. On the other hand, households headed by

persons who had attained tertiary education recorded the least proportion of the poor at 56 percent in 2004.

Generally, poverty levels declined for all the education levels between 1998 and 2004 except for those households whose heads had attained tertiary education. The proportion of the poor in households headed by persons with tertiary education increased slightly from 55 percent in 1998 to 56 percent in 2004.

Poverty Status and Educational Level of Household Head, Western Province, 1998 and 2004

Educational Level	Poverty Status – 1998 and 2004								Population	
	Total Poor		Extremely Poor		Moderately Poor		Not Poor		1998	2004
	1998 Percent	2004 Percent	1998 Percent	2004 Percent	1998 Percent	2004 Percent	1998 Percent	2004 Percent		
All Province	89	82	78	72	11	10	11	19	762,000	838,438
Education of Head										
None	93	89	85	81	8	8	7	11	169,862	163,310
Primary school	93	83	83	74	10	9	8	17	387,777	415,085
Secondary	84	76	72	68	12	8	16	23	182,298	226,687
Tertiary	55	56	32	20	23	36	46	44	22,062	33,356

Poverty Levels lower among Households with Heads in Wage Employment!

The kind of economic activity that an individual engages in has a large bearing on the economic well being of that individual and his or her household.

The LCMS IV revealed that the incidence of poverty was lowest among those individuals in households headed by persons in wage employment at 62 percent, in 2004. The incidence of poverty in households headed by persons who were running businesses was higher (72percent) than in those households headed by

persons who were engaged in wage employment at 62 percent. The proportion of the poor was highest in households headed by persons engaged in farming/fishing/forestry at 86 percent, followed by those that are not working at 83 percent.

Similarly, in 1998 the levels of poverty were highest in households headed by persons that were engaged in farming/fishing/forestry at 93 percent followed by those households whose heads were not working at 86 percent.

Generally, poverty levels for all households reduced between 1998 and 2004 regardless of the economic activity of the household head.

Poverty Status and Economic Activity, Western Province 1998 and 2004

Economic Activity	Poverty Status – 1998 and 2004								Population	
	Total Poor		Extremely Poor		Moderately Poor		Not Poor		1998	2004
	1998 Percent	2004 Percent	1998 Percent	2004 Percent	1998 Percent	2004 Percent	1998 Percent	2004 Percent		
All Province	89	82	78	72	11	10	11	19	762,000	838,438
In wage employment	72	62	49	43	23	19	28	38	87,292	93,302
Running a business	81	72	70	62	11	10	19	28	85,345	102,794
Farming/Fishing/Forestry	93	86	85	77	8	9	7	14	542,797	616,047
Not working	86	83	70	78	16	5	14	18	46,566	26,295

Larger Households Experience High Poverty Levels

The incidence of poverty by household size show that the bigger the size of the household, the higher the incidence of poverty. In 2004, the incidence of poverty in one member household was 54 percent compared to 83 percent in households with 6 or more members. Similarly in 1998, the incidence of poverty among one-

member household was 55 percent compared to 93 percent for those households with 6 or more members.

However, the proportion of the poor reduced in all the households regardless of the size between 1998 and 2004. For the household with 6 or more members, the proportion of the poor decreased from 93 percent in 1998 to 83 percent in 2004. The proportion of the poor in one-member household also reduced from 55 percent in 1998 to 54 percent in 2004.

Poverty Status and Household Size, Western Province, 1998 and 2004

Household size	Poverty Status – 1998 and 2004								Population	
	Total Poor		Extremely Poor		Moderately Poor		Not Poor			
	1998	2004	1998	2004	1998	2004	1998	2004	1998	2004
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent		
All Province	89	82	78	72	11	10	11	19	762,000	838,438
1	55	54	44	42	11	12	45	46	12,749	11,170
2 – 3	84	81	76	69	8	12	16	19	120,534	97,614
4 – 5	86	81	77	68	9	13	14	19	210,108	250,969
6 and above	93	83	81	75	12	8	7	17	418,610	478,685

Poverty Levels Highest in Senenga and Sesheke Districts!

At district level, Senenga and Sesheke recorded the highest incidence of poverty in the province at 90 percent each, while the lowest was recorded in Kaoma district at 73 percent, in 2004.

Incidence of Poverty in Western Province, 1998 and 2004

District	Poverty Status-1998and 2004								Population	
	Total Poor		Extremely Poor		Moderately Poor		Not Poor			
	1998	2004	1998	2004	1998	2004	1998	2004	1998	2004
Kalabo	84	85	66	76	18	9	17	15	118,778	125,740
Kaoma	88	73	76	60	12	13	12	28	141,291	182,762
Lukulu	98	75	97	63	1	12	2	24	58,329	74,645
Mongu	86	85	77	75	9	10	13	15	188,527	174,178
Senenga	91	90	80	83	11	7	8	10	119,902	119,143
Sesheke	93	90	76	79	17	11	7	10	69,862	84,930
Shangombo	94	89	90	82	4	7	6	11	65,311	77,040
All Province	89	82	78	72	11	10	11	19	762,000	838,438

The poverty levels of all the districts in Western Province exceeded the national average of 68 percent in 2004. However, there has been a reduction in the poverty levels of all the districts in Western Province between 1998 and 2004. Lukulu district had the

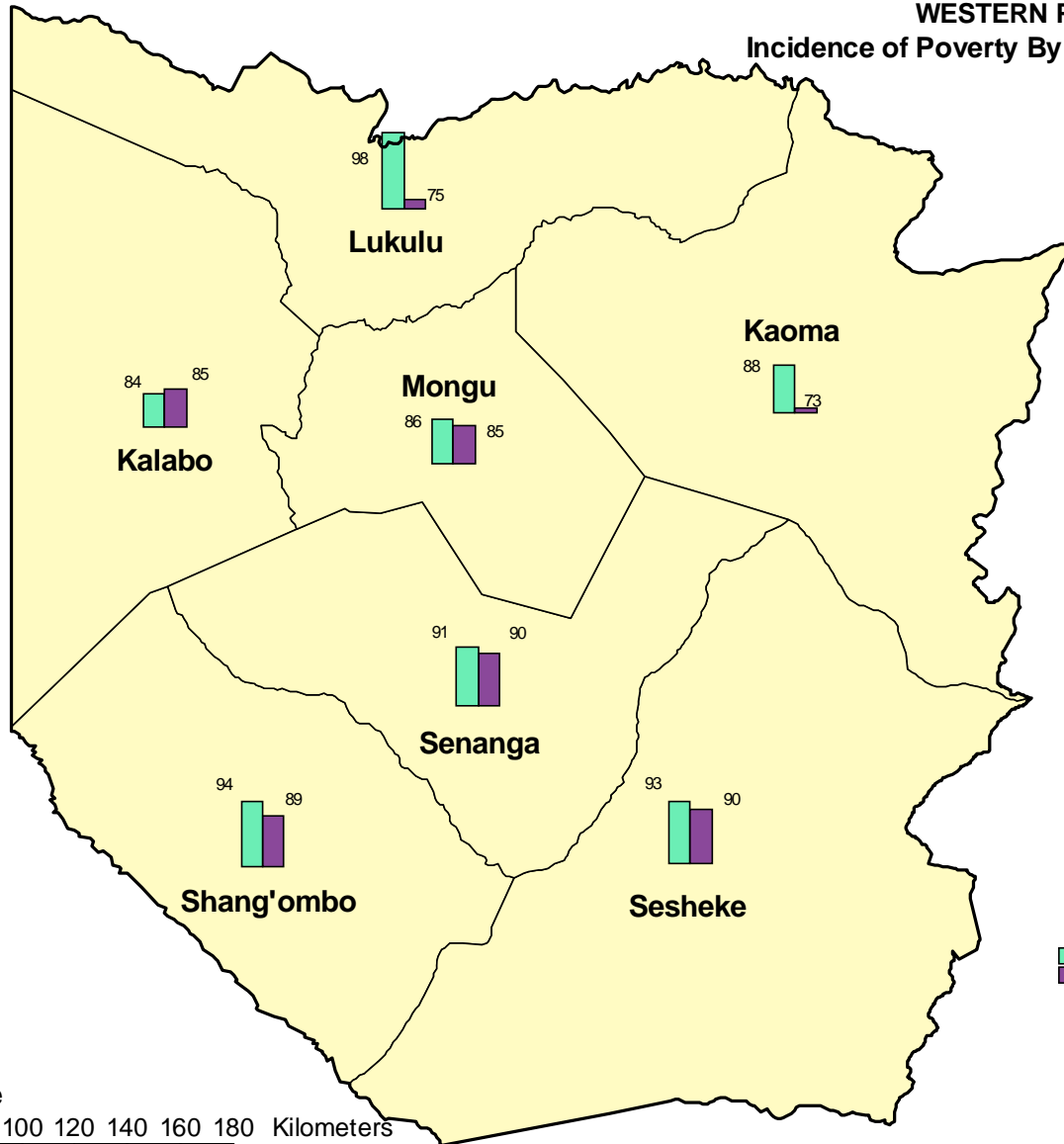
highest decline in the poverty levels from 98 percent in 1998 to 75 percent in 2004.

All the districts recorded an increase in proportion of the non poor except Kalabo District which reported a slight decline of about 2 percentage points.

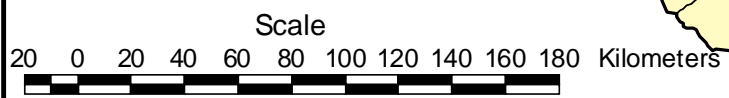
Layman and Statistics

- **Trade Deficit:** It's a situation where a country is importing more than it is exporting.
- **Domestic Exports:** These are goods originating from the exporting countries.
- **SITC:** Stands for Standard International Trade Classification. It is a trade statistical nomenclature mainly used in trade statistical analysis.
- **BEC:** It stands for Broad Economic Categories. This shows how imported goods are used domestically.
- **Index of Industrial Production:** Is defined as the measure of the changes in the levels of production in the economy compared with base year production. The index does not measure the actual production levels but gives a comparative representation of the performance of the various sub-sectors.
- **Poverty:** Is when a household or households are not able to acquire a specific level of consumption. Levels of consumption often used are those covering food and other basic needs as housing, water, sanitation, health and education.

WESTERN PROVINCE Incidence of Poverty By District, 1998 and 2004



Legend
Total Poor 98
Total Poor 04



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- ☞ Poverty report
- ☞ Zambia Sexual Behaviour Survey, 2005
- ☞ The Non-Farm Informal Sector in Zambia 2002 - 2003

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