Republic of Zambia

The Monthly

Central Statistical Office

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Economic Indicators

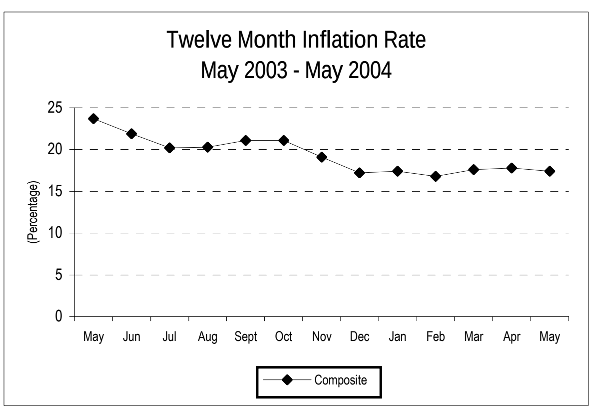
Serving Your Data Needs

May Inflation records a decrease

The annual rate of inflation was recorded at 17.4 percent as at May 2004. This rate is 0.4 of a percentage point lower than the April rate of 17.8 percent. Compared with May 2003, the annual rate of inflation declined by 6.3 percentage points, from 23.7 percent in May 2003 to 17.4 percent in May 2004.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups were recorded at 16.4, 17.3 and 18.1 percent, respectively.

Between April and May 2004, the Consumer Price Index increased by 0.7 percent.



Source: *CSO, Consumer Price Index, May 2004*

Of the total 17.4 percent annual inflation in May 2004, increases in food prices accounted for 9.0 percentage points while non-food items in the CPI accounted for 8.4 percentage points.

Contributions of different groups to overall inflation

Group	Inflation	Contribution to overall inflation	
		Percentage Points	Percentage of Total Change
Food Beverages and Tobacco	16.9	9.0.	51.5
Clothing and Footwear	29.5	2.1	12.1
Rent, Fuel and Lighting	16.0	1.6	9.1
Furniture and Household Goods	27.5	2.4	14.0
Medical Care	16.4	0.1	0.8
Transport and Communication	2.5	0.3	1.5
Recreation and Education	20.6	1.4	7.9
Other Goods and Services	17.5	0.5	3.1
All Items		17.4	100

Source: *CSO, Consumer Price Index, May 2004*

Annual food inflation stood at 16.9 percent gaining 0.6 percentage points on the April rate of 16.3 percent. From April to May 2004, the index for food increased by 0.1 percent.

Generally, decreases occurred in the prices for maize meal, maize grain, fresh fish, dried kapenta, fresh meat, dried beans, sweet potatoes and fresh fruits. However price increases were registered for the following food items: fresh vegetables, dressed chicken, oils and fats, milk and milk products, sugar and other processed food commodities.

Annual non-food inflation rate was recorded at 18.0 percent, decreasing by 1.4 percentage points on the April rate of 19.4 percent. Between April and May 2004, the Non-Food index increased by 1.3 percent. Non-food inflation was largely due to increases in the cost of furniture and household goods, clothing and footwear, house rent, education and recreation, hotel accommodation and meals.

The food basket as at May 2004 was K561,926 for a family of six. The same family on average was expected to live on K806,918 for all their food and basic needs

Maize Grain Prices continue to decline

Comparatively, the average price of Maize Grain measured in a 20-litre tin decreased by 25.8 percent, from K12,963 in April to K9,618 in May 2004, while the price of a 25 kg bag of roller meal declined by 6.0 percent. The average price of 1kg of dried Mpulungu Kapenta showed a decrease of 3.7 percent. And the average price of 1kg of tomatoes rose by 32.4 percent during the month.

National Average Prices for Selected Products

Product	April	May	Percentage change (%)
White breakfast 25kg	33,879	33,364	-1.5
White roller 25kg	27,460	25,824	-6.0
White maize 20 ltr tin	12,963	9,618	-25.8
Samp 1 kg	3,607	2,950	-18.2
White Spoon Sugar 2 kg	7,093	7,685	8.3
Buka Buka Fish 1kg	8,831	8,959	1.4
Dressed Chicken 1kg	12,846	13,156	2.4
Dried kapenta Mpulungu	26,082	25,112	3.7
Tomatoes 1kg	2,607	3,452	32.4
Fresh Kapenta 1kg	3,957	3,879	-2.0
Onion l kg	3,871	4,364	12.7

Source: *CSO, Consumer Price Index, May 2004*

International Trade

Exports and Imports Down in April!

Total exports at K647,724 million in March 2004 dropped by eight percent to K596,774 million in April 2004. Total Imports dropped by three percent from K813,528 million in March 2004 to K785,587 million in April 2004 .The higher percentage drop in exports resulted in a fourteen-percent increase in the trade deficit from K165,804 in March to million to K188,813 million in April.

Exports and Imports[1], January 2004 to April 2004 (K' millions)

Month	Imports (CIF)	Exports (FOB)			Trade Balance
		Domestic	Re-Exports	Total	
Jan-04	603,119	443,424	3,437	446,861	-156,258
Feb-04	601,407	428,970	2,295	431,265	-170,142
Mar-04	813,528	635,503	12,221	647,724	-165,804
Apr-04	785,587	585,689	11,085	596,774	-188,813
Total	2,803,641	2,093,586	29,038	2,122,624	-681,017

[1] *Revised but to undergo further revision.*

Exports and Imports by Central Product Classification (CPC)[2]

Exports (Fob) By CPC, January - March 2004 (K' Million)

Code	Product	Value (FOB)			
		Jan 04	Feb 04	Mar 04	Apr 04
0	Agriculture, forestry & fishery products	39,667	62,870	41,522	56,009
1	Ores & minerals; electricity, gas & water	9,904	12,325	45,492	31,680
2	Food products, beverages & tobacco; textiles, apparel	24,529	37,552	37,818	59,108
3	Other transportable goods, ex' metal products, mach	43,586	32,891	100,587	36,928
4	Metal products, machinery & equipment	329,175	285,625	422,304	413,048
	Total	446,861	431,263	647,723	596,773

Note: Fob means Free On Board price

The fall in exports from K647,724 million in March to K596,774 million in April, is mainly due to the large decline in exports of 'other transportable goods, except metal products, and machinery' (section 3). Exports of commodities in this section decreased by sixty-three percent from K100,587 million in March to K36,928 million in April. The commodities in this section that contributed significantly to the drop are 'nitrogenous fertilizers, mineral or chemical products' (K997 million in March to K357 million in April).

Zambia's exports are dominated by 'metal products, machinery and equipment (section 4)'. These products constituted seventy-four, sixty-six, sixty-five, and sixty-nine percent of total exports in January, February, March and April respectively. The major commodities in this section include;

- Unwrought refined copper and copper alloys (K186,488 million in March and K204,747 million in April).
- Tungsten, molybdenum, tantalum, magnesium, cobalt, cadium (K123,688 million in March and K126. 661 million in April).
- Plates, sheets and strips, of copper (K91,258 million in March and K46,602 million in April).
- Wire of copper (K14,785 million in March and K20,170 million in April).

The other sections, namely, Agriculture, forestry & fishery products (section 0); ores & minerals; electricity, gas & water (section 1); and food products, beverages and tobacco, textiles, apparel (shown 2) showed a more or less consistence rise

[2] *A commodity classification scheme alternative to Harmonized System (HS), enabling comparisons between exported and imported goods with other economic statistics.*

during the four months of 2004. This is especially true for 'Food products, beverages and tobacco; textiles, apparel' (section 2). The table below shows the major commodities in this section.

Exports of major commodities of section 2 march and April 2004 (K' millions)

Product	Exports (FOB)	
	March	April
Cotton yarn (other than sewing thread), containing 85%	10,068	8,914
Raw cane or beet sugar	5,812	11,352
Vegetables (uncooked/cooked by steaming or boiling in	4,278	10,568
Groats, meal & pellets of wheat	382	401
Wheat or meslin flour	524	568
Sugar confectionery (including white chocolate), not c	598	886
Footwear with outer soles & uppers of rubber or plastic	713	1,407
Other food products n.i.e.	521	480
Rice, semi- or wholly milled	59	207
Total	22,955	34,783

Imports By CPC, Jan 2004 to April 2004 (K' millions)

Code	Product	Value (CIF)			
		Jan 04	Feb 04	Mar 04	Apr 04
0	Agriculture, forestry & fishery products	11,009	19,234	33,978	23,348
1	Ores & minerals; electricity, gas & water	106,593	50,958	97,969	122,208
2	Food products, beverages & tobacco; textiles, apparel	68,979	68,134	54,544	47,445
3	Other transportable goods, ex' metal products, mach	196,964	207,237	283,926	305,746
4	Metal products, machinery & equipment	219,574	255,844	343,110	286,840
	Total	603,119	601,407	813,527	785,587

Total imports dropped from K813,527 million in March to K785,587 million in April. The drop was mainly due to the large fall in imports of 'Agriculture, forestry & fishery products' (section 0) by thirty 31 percent from K33,978 million in March to K23,348 million in April. The major commodities that contributed to the drop are potatoes (K8,117 million in March and K191 million in April, wheat and meslin (K16,669 million in March and K12,626 million in April and shelled dried leguminous vegetables (K1,560 million in March and K589 million in April). Drops were also experienced in imports of 'metal products, machinery & equipment' (sixteen percent drop) and 'food products, beverages & tobacco; textiles, apparel' (section 2, thirteen percent drop). The major commodities in this section contributing significantly to the drop are summarized below.

Section 2 commodities contributing to the fall in imports, March and April 2004 (K' Million)

Product	Imports (CIF)	
	March	April
Palm, coconut, palm kernel, babassu & linseed oil	10,873	4,840
Sacks & bags, of a kind used for the packing of goods	3,072	679
Rice, semi- or wholly milled	4,845	3,887
Malt, whether or not roasted	1,783	901
Wooden footwear, miscellaneous special footwear	2,262	1,670
Total	22,835	11,977

Exports and Imports by Customs Office

Exports and imports by customs office, January to April 2004

Office	Exports		Imports	
	Value (K' Millions)	Weight Tonnes	Value (K' millions)	Weight Tonnes
Chingola Airport	0	0	3	14
Chingola	62,910	10,964	21	309
Chirundu	54,572	29,183	906	166,519
Kapiri Mposhi	302,307	48,893	31	5,690
Kariba	-	0	2	285
Kasumbalesa	2,008	835	10	15,502
Kazungula	213	495	18	3,556
Kitwe Port Office	994,733	87,896	129	6,339
Livingstone Port Office	10,859	4,960	554	138,800
Lusaka International Airport	109,142	2,312	448	1,330
Lusaka Port Office	185,734	101,386	192	10,770
Mwami Border Post	29,615	6,341	11	8,178
Nakonde	6,903	9,416	147	24,586
Ndola Airport	413	8	23	123
Ndola Port Office	359,544	91,276	300	28,141
Victoria Falls	86	5,313	10	3,654
NON CUSTOMS OFFICE[3]	3,583	15,169	-	-
Total	2,122,622	414,448	2,804	413,802

Source: Zambia Revenue Authority

Zambia's exports and imports leave and enter the country mainly through the sixteen of the twenty-four active customs ports listed in the table above. Kitwe Port Office handles the largest value of exports. The Office handled K994,733 million worth or forty-seven percent of exports, and a tonnage of 87,896 metric tonnes or twenty-one percent of total export tonnage during the period. The largest export tonnage (101,386 tonnes) was handled by Lusaka Port Office, covering twenty-four percent of total export tonnage and a value of K185,734 million.

Chirundu Office handled the largest value and tonnage of imports, accounting for thirty-two percent of total import value and forty percent of total import tonnage. Livingstone Port Office followed with imports of K554 million or thirteen percent of total imports, and a tonnage of 138,000 metric tonnes or nineteen percent of total import tonnage.

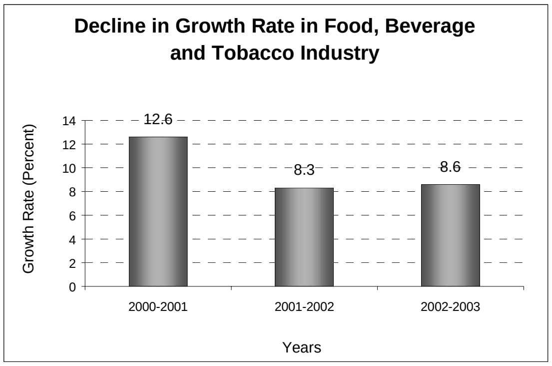
Industrial Production

Food, Beverage and Tobacco Industry Records Consistent Growth

The Food, Beverage and Tobacco industry has consistently recorded growth for the past four year years. However, the rate at which the industry has been growing slowed down (so to state) between 2001 and 2002, and is only beginning to recover.

[3] *Zambia Electricity Supply Corporation*

The Food, Beverage and Tobacco industry grew by 12.6 percent between 2000 and 2001, by 8.3 percent between 2001 and 2002 and by 8.6 percent between 2002 and 2003. Compared to the period 2000-2001, the periods 2001-2002 and 2002-2003 have considerably smaller growth rates.



Establishments in this sector indicated some of the challenges they have been facing that might be responsible for smaller growth rates in production in 2001-2002 and 2002-2003. Establishments have been classified according to sub-sector.

Establishments in the Canning and Preserving of Fruits and Vegetables sub-sector that produce Sauces, Jams, Chutneys and Vinegar reported some of the reasons for smaller growth rates in production as inadequate raw materials such as Tomatoes, reduced demand due to increased supply from competitors and high price of raw materials

In the Manufacture of Vegetable and Animal Oils and Fats sub-sector, establishments produce mainly cooking Oil, Seed and Soya Cake. Lack of demand and competition by imported products have been advanced as some of the reasons for smaller growth rates in production.

Establishments in the Grain Mill products sub-sector produce Maize Meal, Wheat Flour, Stock Feed, Rice and Maize Bran. The slump in market prices has been noted as a reason for smaller growth rates in production in the sub-sector.

In the Manufacture of Bakery Products sub-sector establishments produce Bread, Rolls, Dough Nuts, Buns and Cakes. They reported that availability of close substitutes on the market (e.g. Sweet Potatoes) was responsible for smaller growth rates in production.

Establishments in the Malt Liquors and Malt sub-sector are engaged in the production of Beer, Lagers, Ciders, Opaque beer and such others. Here the main reasons for apparent smaller growth rates in production have been reported to be lack of raw materials, lack of Enzymes, high price of raw materials, competition and the high exchange rates.

It is imperative however, to note that the growth rate for 2002-2003 (i.e. 8.6 percent) is higher than that of 2001-2002 (i.e. 8.3 percent). This is an indication that the Food, Beverage and Tobacco industry may have begun to overcome some of the aforementioned challenges.

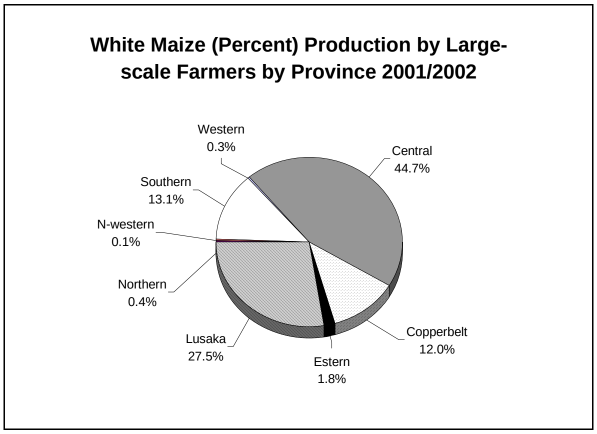
Agriculture

Central Province Records highest Maize Production by Large-Scale Farmers in 2001/2002 Agriculture Season

The total amount of white maize produced by large-scale farmers during the 2001/2002 Agricultural Season was estimated at 202,646 metric tonnes.

Central Province recorded the highest proportion of white maize produced by large-scale farmers during the season at 44.8 percent followed by Lusaka Province with 27.5 percent. Southern and Copperbelt provinces recorded 13.1 and 12.0 percent respectively of the white maize produced. Northern, North-western and Western provinces recorded less than 1 percent each.

Province	Quantity Harvested		Quantity Sold Mt	Price (Kwacha) per 50 kg Bag
	Mt	Percent		
Central	90,691	44.7	72,158	47,692
Copperbelt	24,423	12.0	23,964	44,340
Eastern	3,749	1.8	2,880	37,276
Lusaka	55,814	27.5	54,667	29,678
Northern	892	0.4	336	41,373
N-western	283	0.1	203	27,047
Southern	26,546	13.1	20,882	38,905
Western	648	0.3	576	41,997
Total	203,046	100.0	175,666	40,359



Out of the 202,646 metric tonnes of white maize that was produced, 175,666 metric tonnes were sold. The national average price per 50Kg bag of white maize was estimated at K40,359 and the total value of these sales was estimated at ZMK 141.8 billion. The price per 50 Kg bag of white maize varied from province to province with the highest price being recorded in Central province at K47,692 per 50Kg bag and the lowest price recorded was in North-western Province at K27,047 per 50 Kg bag.

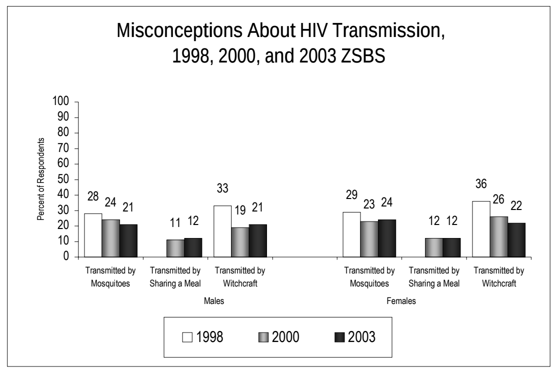
Meanwhile, the delayed crop Forecasting Survey has finally kicked off. A team of CSO enumerators has been deployed throughout the all districts in the country to collect this year's crop production estimates. The 1993/1994 crop forecasting estimates are expected to be ready by the middle of June.

The Central Statistical Office in conjunction with the Food Security Research Project is conducting a Rural Income and Household Livelihood Survey. The survey is scheduled to start on 30th May 2004 and run up to the first week of July 2004. This is a sample survey, which will cover all districts in the country.

Health

Misconceptions about HIV Transmission

Most of the respondents of the 2003 Zambia Sexual Behaviour Survey have a basic knowledge of how HIV/AIDS is transmitted. However, there are still some misconceptions about transmission. Several questions were asked in order to gain knowledge of the levels and types of misconceptions. Respondents were asked whether HIV could be transmitted by mosquito bites, by sharing a meal with an infected person, or by witchcraft. In 2003, results showed that 21.4 percent of males and 24.4 percent of females believed that HIV could be transmitted by mosquito bites. This misconception was more pronounced in rural than in urban areas, with 25.3 percent of rural males and 28.4 percent of rural females holding that belief, compared to 15.2 percent of urban males and 18.2 percent of urban females. However, belief in this misconception has declined considerably since the 1998 survey.



Source: CSO, 2003 Zambia Sexual Behaviour Survey
Note: HIV Transmitted by Sharing a Meal, not measured in 1998

Misconceptions about HIV Transmission by Gender and Residence, 1998, 2000, and 2003 (Percent of Respondents)

Gender and Residence	HIV Transmitted by Mosquitoes			HIV Transmitted by Sharing a Meal			HIV Transmitted by Witchcraft		
	1998	2000	2003	1998	2000	2003	1998	2000	2003
Males									
Urban	21.1	21.5	15.2	NA	8.4	10.2	14.0	13.9	12.5
Rural	32.3	25.4	25.3	NA	13.2	13.2	27.9	22.2	25.4
Total	27.9	24.0	21.4	NA	11.4	12.0	32.5	19.1	20.5
Females									
Urban	25.2	19.8	18.2	NA	8.7	9.4	28.5	20.7	14.0
Rural	31.2	25.7	28.4	NA	13.4	13.2	39.9	29.3	26.5
Total	29.0	23.3	24.4	NA	11.5	11.8	35.7	25.8	21.7

Source: CSO, 1998, 2000 and 2003 Zambia Sexual Behaviour Surveys
Note: 'NA' – In the 1998 survey, the question about whether someone one thinks HIV can be transmitted by sharing a meal was not asked.

Sharing a meal with someone with HIV or AIDS was the least likely of the three misconceptions to be reported, and proportions holding this belief hardly changed between 2000 and 2003. In 2003, sharing a meal was mentioned as a way of transmitting HIV by 12.0 percent of males and 11.8 percent of females.

The misconception of HIV transmission through witchcraft was higher in rural areas than in urban areas with 25.4 percent of males and 26.5 percent of females in rural areas holding that belief compared to 12.5 percent of males and 14.0 percent of females who share that view in urban areas. Belief in this misconception has declined substantially, among both males and females, since 1998.

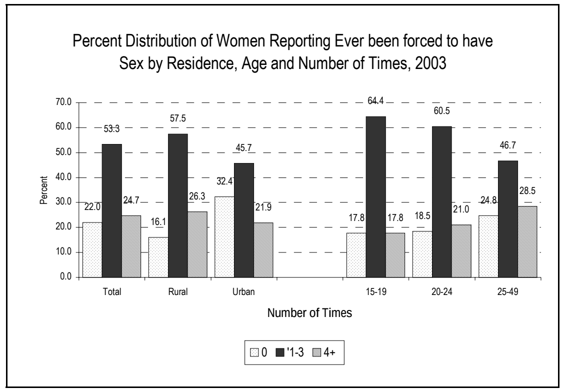
Generally, misconceptions were higher in rural than urban areas. Overall, substantially fewer respondents held the view that HIV can be transmitted by mosquitoes or by witchcraft in 2003 than in 1998. Perhaps educational campaigns have been effective in combating these misconceptions. As noted above, sharing a meal with someone with HIV/AIDS was the least likely misconception to be reported, and the percentage of respondents holding this view changed little between 2000 and 2003.

More Information, Education and Communication (IEC) programmes may be needed, especially ones targeting the population in rural areas, if these misconceptions are to be effectively addressed.

Husbands/Live in Partners cited as Major Perpetrators of Forced Sex!!!

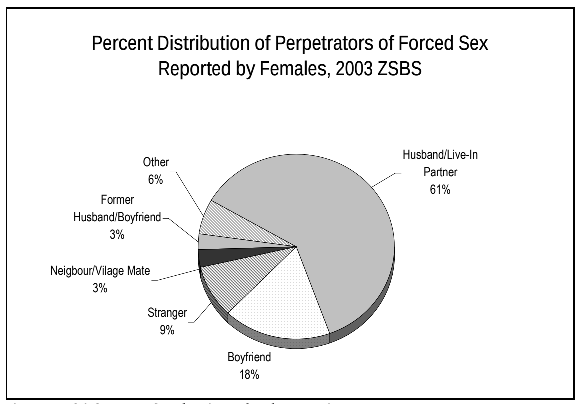
During the 2003 Zambia Sexual Behaviour Survey (ZSBS), information was collected on forced sex including the number of times sexual violence occurred and whom the perpetrators. The survey results show that 16.3 percent of the female respondents have been forced to have sex. A slightly higher percentage of urban Females (16.8 percent) reported having been forced to have sex in the last 12 months than rural females (15.5 percent). The breakdown by age indicates that young females are generally most likely to report having been forced to have sex against their will. Results show that 17.7 percent of adolescent females (aged 15-19) had been forced to have sex compared to older women aged 25-49 (14.8 percent).

Of those who reported having ever been forced into having sex against their will, 17.8 percent of respondents aged 15-19 years of age reported no incidences in the past year, 64.4 percent reported 1 to 3 times and 17.8 percent reported four or more incidences. Of those aged 20-24, 18.5 percent reported no events in the past year, 60.5 percent reported 1 to 3 events and 21.0 percent reported four or more. Of those in the oldest age group 25-49, 24.8 percent reported no event in the past year, 46.7 percent reported 1 to 3 events and 28.5 percent reported four or more events. Women in rural areas are more likely to be forced to have sex against their will than their urban counter parts. For instance, 57.5 percent of rural women compared with 45.7 percent of women in urban areas reported 1 to 3 times of forced sex (See the figure below for details).



Source: CSO, 2003 Zambia Sexual Behaviour Survey

The most common reported perpetrators of forced sex were husbands/live in partners (61 percent). Other reported perpetrators were boyfriends (18 percent), strangers (9 percent), neighbours/village mates (3 percent), former husbands/boyfriends (3 percent), and other (6 percent). From this data, it appears that the majority of victims knew their perpetrator. This data is presented in the figure below.

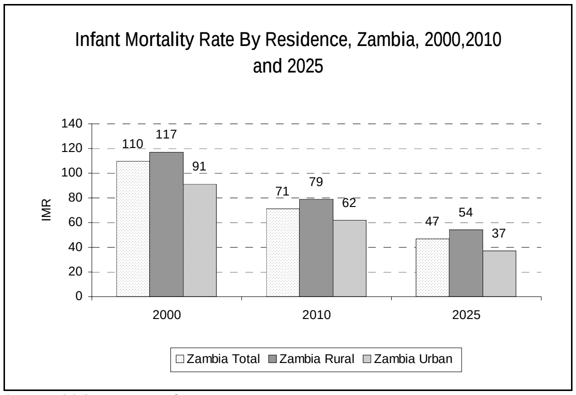


Source: CSO, 2003 Zambia Sexual Behaviour Survey

Population Projections

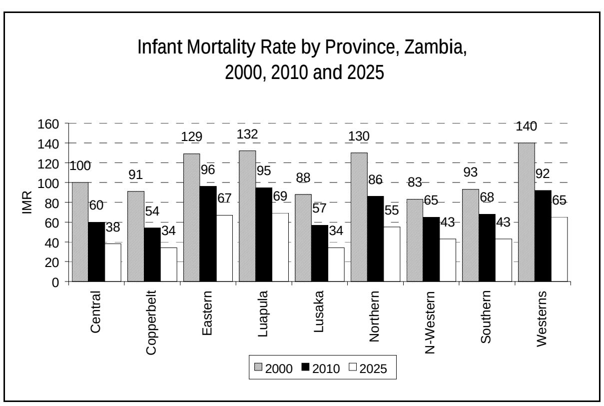
Zambia to continue experiencing declining Infant Mortality Rate

Infant mortality rate (IMR) is expected to continue declining in Zambia. The 2003 Population Projections Report reveals that IMR is estimated to decline by 57 percent from 110 in 2000 to 47 infant deaths per 1000 live births by 2025. It is estimated to decline from 110 infant deaths in 2000 to 71 infant deaths per 1000 live births in 2010. Urban areas are going to experience significant decline in infant mortality rate (from 91 infant deaths in 2000 to 62 infant deaths in 2010 and then 37 infant deaths per 1000 live births in 2025) than rural areas (from 117 infant deaths in 2000 to 79 infant deaths in 2010 and 54 infant deaths per 1000 live births in 2025). It is worth noting that the 2010 and the 2025 IMRs take into account the effect of HIV/AIDS other wise the rates would have been much lower.



Source: CSO, 2003 Population Projections Report

At provincial level infant mortality rate is estimated to decline to much lower levels in Lusaka and Copperbelt provinces (from 87 infant deaths in 2000 to 57 infant deaths in 2010 and 34 infant deaths in 2025 for Lusaka province and from 91 infant deaths in 2000 to 54 infant deaths in 2010 and 34 infant deaths in 2025 for Copperbelt province). These two are closely followed by Central province (from 81 infant deaths in 2000 to 60 infant deaths in 2010 and 38 infant deaths in 2025). According to the report Western and Luapula provinces are going to have the highest IMR by 2025 (69 and 65 infant deaths per 1000 live births for Luapula and Western provinces respectively).



Source: CSO, 2003 Population Projections Report

The Layman and Statistics

Bias: The tendency, during any step in a survey, to systematically favour or give advantage to answers or findings which will cause resulting estimates to deviate in one direction from the true value. Bias may or may not be intentional.

Acceptance Sampling: The use of statistical sampling for determining the acceptability of survey groups or areas. Based on inspection of a sample or samples, the acceptance or rejection of the survey group or areas is determined according to prescribed decision rules of quality control.

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Wishing you continued growth in 2004!