Republic of Zambia

The Monthly

Central Statistical Office

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Economic Indicators

Serving Your Data Needs

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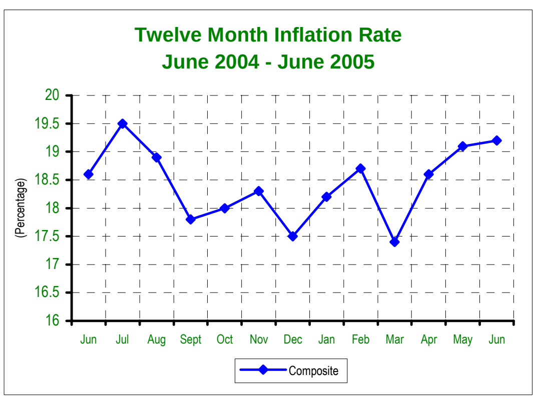
June Inflation records Slight Increases

The annual rate of inflation was recorded at 19.2 percent as at June 2005. This rate is 0.1 of a percentage point higher than the May rate of 19.1 percent. Compared with June 2004, the annual rate of inflation increased by 0.6 of a percentage point, from 18.6 percent in June 2004 to 19.2 percent in June 2005.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 17.4, 19.8 and 19.9 percent respectively.



Source: CSO, Consumer Price Index, June 2005

Contributions of different Items to overall inflation

The increase of 0.1 of a percentage point is accounted for by the increase in the cost of house rent and electricity. There were no significant shifts in the contribution of other groups to the increase in inflation between May and June 2005.

Furthermore, of the total 19.2 percent annual inflation in June 2005, increases in food prices accounted for 10.1 percentage points while non-food items in the CPI accounted for 9.1 percentage points. The percentage points contribution of food and beverages to inflation between May and June remained unchanged at 10.1 percentage points.

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

Source: CSO, Consumer Price Index, June 2005

Your Monthly Food Basket

The food basket as at June 2005 was **K675, 170** *for a family of six. The same family on average was expected to live on* **K969, 535** *for all their food & basic needs.*

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Lower food prices influence June inflation

Marginal price increases were recorded for breakfast meal, maize grain, fresh meat, eggs, fresh vegetables, tubers (sweet and irish potatoes, chikanda), fresh fruits cooking oil, sugar and other processed food items. Offsetting these increases were falls in the cost of roller meal, other cereals (millet, sorghum, dressed chicken, kapenta, dried beans, shelled groundnuts and non-alcoholic drinks.

Annual food inflation was recorded at 19.3 percent, up by 0.2 of a percentage point on the May rate of 19.1 percent. Annual non-food inflation rate remained unchanged at 19.2 percent. Between May and June 2005, the non-food index increased by 1.4 percent. This increase was mainly due to the rise in the cost of house rent and electricity.

Maize Grain prices increase

A comparison of prices between May and June 2005, shows that the average price of a 25kg bag of roller meal fell by 1.5 percent from K28,393 in May to K27,966 in June 2005. The average price of 1kg of dressed chicken declined by 4.8 percent, while the average price of 1kg of dried kapenta (Mpulungu) fell by 1.4 percent.

However, the average price of maize grain measured in a 20 litre tin recorded an increase of 2.9 percent.

National Average Prices for Selected Products

Average prices for Selected Products and Months								
Product Description	2005						Percentage Changes	
	January	February	March	April	May	June	Jun/ Jan	Jun/ May
White breakfast 25 Kg	34,679	35,826	35,704	35,760	35,885	36,443	5.1	1.6
White Roller 25Kg	27,156	28,365	28,282	28,497	28,393	27,966	3.0	-1.5
White Maize 20 litre tin	14,055	15,377	15,853	14,146	12,892	13,272	-5.6	2.9
Millet 5 litre tin	4,605	4,571	4,741	5,065	4,873	4,806	4.4	-1.4
Bread Regular loaf	2,585	2,611	2,613	2,641	2,602	2,651	2.6	1.9
Sorghum 5 litre tin	3,415	3,672	4,140	4,355	3,919	3,399	-0.5	-13.3
Mixed Cut 1 Kg	13,540	13,243	13,220	13,384	13,203	13,272	-2.0	0.5
Dressed chicken 1 Kg	13,575	13,535	13,177	13,172	12,997	12,434	-8.4	-4.3
Fresh Kapenta 400 gms	3,995	4,111	4,317	4,340	4,341	4,093	2.5	-5.7
Dried Kapenta Mpulungu 1Kg	32,312	32,913	32,522	30,591	33,130	32,670	1.1	-1.4
Rape 1kg	2,324	1,844	1,798	2,002	1,840	1,944	-16.4	5.7
Onion 1kg	3,379	3,652	4,430	4,628	5,314	5,266	55.8	-0.9
Tomatoes 1kg	2,575	2,878	2,184	2,445	2,648	2,664	3.5	0.6
Dried beans 1kg	5,043	4,968	4,927	5,362	5,337	5,007	-0.7	-6.2
White sugar Z.S.C plc 2kg	7,813	7,805	7,857	8,075	8,433	8,433	7.9	0.0
Table salt any brand 1kg	1,917	1,941	1,941	2,006	2,030	2,011	4.9	-0.9
Paraffin 1 litre	3,798	3,488	3,615	3,819	4,147	4,193	10.4	1.1
Petrol Premium 1 litre	5,300	4,896	5,186	5,619	5,856	5,714	7.8	-2.4
Diesel 1 litre	4,824	4,500	4,590	4,749	5,099	5,069	5.1	-0.6
Air fare Lusaka/London Britsh Airways 1 Way	3,348,000	3,287,250	3,287,250	3,264,330	3,634,280	4,090,660	22.2	12.6
Air Fare Lusaka/Kitwe Roan Air 1 way	644,800	639,600	633,100	618,800	626,600	622,700	-3.4	-0.6
Bed & continental Breakfast 3 to 5 star Hotel	485,686	484,232	476,840	532,809	552,335	543,553	11.9	-1.6
Nshima with Beef 2 Star Hotel Down to Motel	19,641	19,566	19,751	19,697	19,487	19,628	-0.1	0.7

International Merchandize Trade

Exports Down, Imports Up In May 2005

Zambia's total exports declined marginally by close to one percent from K684,979 million in April 2005 to K679,312 million in May 2005.Total imports increased from K754,997 million in April 2005 to K826,682 million in May of the same year, an increase of slightly more than nine percent. Consequently, the country's trade deficit increased from K70,018 million in April 2005 to K147,370 million in May 2005, representing an increase of more than a hundred percent.

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

Month	Imports (CIF)	Exports (FOB)*			Trade Balance
		Domestic	Re-exports	Total	
Jan	788,491	566,057	5,431	571,488	-217,003
Feb	670,866	470,641	275	470,916	-199,950
Mar	853,982	571,499	503	572,002	-281,980
Apr	754,997	670,566	14,413	684,979	-70,018
May	826,682	667,536	11,776	679,312	-147,370

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

Exports

The manufacturing sector accounted for 88.8 percent and 87.4 percent of Zambia's total exports in April and May 2005 respectively (K608,554 million kwacha in April 2005 and K593,849 million kwacha in May 2005). The major sub-sector of the exporting manufacturing industry during May 2005 was 'Manufacture of basic metals, precious and non-ferrous metals'. This shows that Zambia's strong export manufacturing industry is built largely on the mining and quarrying industry.

Following this are 'Manufacture of sugar'; 'Preparation & spinning of textile fibres; weaving of textiles'; 'Manufacture of jewellery & related articles'; 'Manufacture of insulated wire & cable'; 'Processing & preserving of fruit & vegetables'; 'Manufacture of grain mill products'; 'Manufacture of cement, lime & plaster'.

The decrease in export of commodities produced by 'manufacturing' industry and the subsequent decline in total exports from April 2005 to May 2005 was mainly due to the drop in the exports of products of 'manufacture of basic iron and steel ' sub-sector (K174,015 million in April and K886 million in May 2005).

Exports by Industry of origin (ISICO)*, K' Millions, April to May 2005

ISICO Code	Industrial Description	April		May	
		Value	%	Value	%
A	Agriculture, hunting & forestry	52,369.0	7.6	55,335.0	8.1
B	Fishing	101.0	0.0	148.0	0.0
C	Mining & Quarrying	23,471.0	3.4	29,618.0	4.4
D	Manufacturing	608,554.0	88.8	593,849.0	87.4
E	Electricity, gas & water supply	120.0	0.0	228.0	0.0
O	Other community, social & personal service activities	364.0	0.1	134.0	0.0
	Total	684,979.0	100.0	679,312.0	100.0

** International Standard Industrial Classification (Industry of Origin)*
Source: CSO, International Trade Statistics, 2005

Imports

Zambia's imports are dominated by products of the 'Manufacturing' industry, which accounted for 94.6 percent and 95.8 of total imports in April and May 2005, (K714, 600 million kwacha in April 2005 and K791, 656 million kwacha in May 2005). May 2005 witnessed rises in imports of products of the industries 'mining and quarrying' and 'Manufacturing'. The rise in imports of products of the former between April and May 2005 may be attributed to increases mainly in imports of products of the 'mining of chemical & fertilizer minerals' industry while the rise in imports of products of the 'manufacturing' industry may be attributed mainly to products of the following sub-sectors of the manufacturing industry;

Manufacture of television & radio transmitters; Manufacture of plastics in primary forms & of synthetic fibres; Manufacture of wearing apparel, except fur apparel; Manufacture of pumps, compressors, taps & valves; Manufacture of machinery for mining, quarrying & construction; Manufacture of aircraft & spacecraft.

Imports By Industry of Origin (Isico)*, April-May 2005 (K' Millions)

ISICO (R3) code	Industrial Description	April		May	
		Value	%	Value	%
A	Agriculture, hunting & forestry	25,413	3.4	16,178	2.0
B	Fishing	1	0.0	0	0.0
C	Mining & Quarrying	14,322	1.9	18,508	2.2
D	Manufacturing	714,600	94.6	791,656	95.8
K	Real Estate, renting & business activities	420	0.1	310	0.0
O	Other community, social & personal service activities	241	0.0	30	0.0
	Total	754,997.0	100.0	826,682.0	100.0

**International Standard Industrial Classification (Industry of Origin)*
Source: CSO, International Trade Statistics, 2005

Exports and Imports of Agricultural, Hunting and Forestry Products

During May 2005, Zambia's major Agricultural exports were 'Tobacco leaves, cured, stemmed/stripped' (K19,321 million) followed by 'Cotton, whether or not ginned' (K11,969 Million) and 'Other un-manufactured tobacco' (K11,671 Million). Exports of Maize (corn) fell drastically in May 2005 to K501 million from K5,660 million in April 2005. On average, the major Agricultural exports accounted for about eight percent of total exports during the first five months of 2005.

Exports of Agricultural, Hunting and Forestry January to May 2005 (K' Million)

CPC*	Description	Jan2005	Feb2005	Mar2005	Apr2005	May2005
01710	Cured stemmed/stripped tobacco leaves	165	1,397	0	6,810	19,321
01921	Cotton, whether or not ginned	8,019	11,230	19,858	15,327	11,969
01790	Other un-manufactured tobacco	465	1,325	1,105	11,519	11,671
01510	Live plants; bulbs, tubers & roots; cuttings & slips	4,332	4,166	4,510	3,441	2,875
01520	Cut flowers & flower buds including bouquets, wreaths	5,591	4,958	5,742	5,020	2,219
01440	Cotton seeds	2,294	1,261	1,272	1,750	2,141
02974	Raw skins of other animals nec (fresh/preserved)	212	1,680	1,558	0	1,900
01611	Coffee, not roasted, not decaffeinated	4,488	7,204	5,676	2,144	1,711
01120	Maize (corn)	16,950	10,463	4,642	5,660	501
01612	Green tea (unfermented), black tea (fermented)	415	283	534	206	384
02930	Natural honey	144	437	196	152	358
04110	Fish, live	106	231	236	101	148
02129	Other live animals	151	519	224	122	121
02971	Raw hides & skins of bovine/equine animals, sheep/lamb	0	115	19	3,922	107
03190	Other wood in the rough (including split poles)	0	0	0	0	77
02122	Poultry, live	0	332	68	65	44
01210	Potatoes	0	0	0	0	42
	Total Agricultural, Hunting and Forestry	43,332	45,601	45,640	56,239	55,589
	Total Exports	571,488	470, 916	572, 002	684, 979	679, 313
	%	7.6	9.6	8.0	8.2	8.2

CPC: Central Product Classification
Source: CSO, International Trade Statistics, 2005

Zambia's major Agricultural import was 'Wheat & meslin' (K4,737 million), followed by 'Soya beans' (K4,124 million) and 'Citrus fruit, fresh or dried' (K1,632 million). The main Agricultural imports accounted for about three percent of total imports during the first five months of 2005.

Imports of Agricultural, Hunting and Forestry January to May 2005 (K' Million)

CPC*	Description	Jan2005	Feb2005	Mar2005	Apr2005	May2005
01110	Wheat including meslin wheat	10,693	13,765	26,333	17,353	4,737
01410	Soya beans	34	420	785	480	4,124
01320	Citrus fruit, fresh or dried	57	56	129	183	1,632
03210	Natural rubber in primary forms or in plates, sheets o	606	381	663	756	860
01239	Other vegetables, fresh or chilled nec.	154	278	367	370	612
01349	Other fruit, fresh nec.	438	573	522	514	608
01510	Live plants; bulbs, tubers & roots; cuttings & slips	242	286	156	44	361
01210	Potatoes	449	385	220	307	321
01220	Dried leguminous vegetables, shelled	1,702	1	205	5	320
02122	Poultry, live	127	0	766	499	279
01620	Spices, whether or not processed	323	250	226	251	246
01540	Vegetable seeds	178	359	727	712	207
01190	Other cereals	7,511	117	659	29	159
03230	Lac; other natural gums, resins & other vegetable saps	113	124	123	0	127
01612	Green tea (unfermented), black tea (fermented), partly	37	89	96	126	70
01310	Dates, figs, bananas, coconuts, brazil nuts, pineapple	43	86	75	65	53
	Total Agricultural, Hunting and Forestry	22,707	17,170	32,052	21,694	14,716
	Total Imports	788,491	670,866	853,982	754,997	826,682
	% of total imports	2.9	2.6	3.8	2.9	1.8

Meslin: high yielding, drought resistant strain of wheat
nec: Not elsewhere specified
CPC: Central Product Classification
Source: CSO, International Trade Statistics, 2005

Industrial Production

First Quarter Industrial Output grows by 2 Percent

The preliminary estimates of the Index of Industrial Production for quarter 1 of 2005 have shown an increase of 2.0 percent compared to an increase of 11.2 percent in the first quarter of 2004. This reduced growth is due to the decline in production in the Metal Mining, Textiles, Clothing and Leather Products, Fabricated Metal Products, and Electricity.

Index of Industrial Production (Year 2000=100)

Period	Total Index	Mining & Quarrying	Manufacturing	Electricity
Weight	1.000	0.350	0.511	0.139
2000	100.0	100.0	100.0	100.0
2001	105.1	113.9	96.3	115.3
2002	103.6	111.4	97.3	106.9
2003	113.0	126.7	105.4	106.8
2004	122.2	145.4	111.3	103.5
2004 Q1	122.9	159.5	101.2	110.6
Q2	118.2	140.1	107.3	103.1
Q3	119.5	137.9	111.4	102.8
Q4	128.2	144.2	125.6	97.6
*2005 Q1	125.3	161.2	105.0	110.0
	(Year on year percentage changes)			
2001	5.1	13.9	(3.7)	15.3
2002	(1.4)	(2.2)	1.1	(7.3)
2003	9.1	13.7	8.3	(0.1)
2004	8.1	14.8	5.6	(3.0)
2004 Q1	11.2	20.2	7.2	(2.8)
Q2	2.2	7.9	(0.3)	(5.5)
Q3	3.1	5.6	1.9	(0.7)
Q4	16.3	26.6	13.8	(3.1)
*2005 Q1	2.0	1.1	3.8	(0.5)

*Preliminary
Source: CSO, Industrial Production, 2005

In 2004, the total index of industrial production showed an increase of 8.1 percent compared to an increase of 9.1 percent in 2003. Mining and stone quarrying index increased by 14.8 percent, the manufacturing index increased by 5.6 percent, while the electricity index dropped by 3 percent.

Mining and Stone Quarrying

Overall, mining recorded an increase of 1.1 percent in the first quarter 2005 Index compared to an increase of 20.2 percent in the first quarter of 2004. The growth was as a result of positive growth in coal mining and stone quarrying.

The index for coal showed a growth of 140.3 percent in quarter one of 2005 compared to a 32.0 percent decline in the first quarter of 2004. Coal production increased from 13, 418 metric tons in quarter one of 2004 to 32, 240 metric tons in the first quarter of 2005. This increase may be attributed to the higher demand for coal, mainly from the mines.

Preliminary data shows that the metal mining sector has shown a decline in production of 4.6 percent in the first quarter of 2005 compared to a growth of 16.6 percent in the first quarter of 2004. This negative growth is attributed to the decline in the production of copper. Copper output declined by 5.8 percent from 96,232 metric tons in 2004 quarter 1 to 90, 639 metric tons in 2005 quarter 1. However, cobalt production marginally increased by 1.0 percent from 1,442 metric tons in the first quarter of 2004 to 1,457 metric tons in the first quarter of 2005.

Coal, Copper and Cobalt Production 2004-Q1 2005 (in metric tons)

Year	2004				*2005
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Coal	13,418	21,880	36,332	30,710	32,240
Copper	96,232	103,032	106,030	105,677	90,639
Cobalt	1,442	1,478	1,616	1,854	1, 457

**Preliminary*

The Stone quarrying sector showed an increase of 34.5 percent from January to March 2005 over the same period in 2004. This is owing to increased production of sand and crushed stones pushed by higher demand.

In 2004, mining recorded an increase of 14.8 percent compared to 13.7 percent in 2003. Higher production in coal mining, copper mining and stone quarrying resulted in a higher index in this sector. The Coal mining index recorded a growth of 39.5 percent; non-ferrous mining index recorded a growth of 13.0 percent. Actual Copper production increased by 16.2 percent from 353,594 metric tons in 2003 to 410,971 metric tons while Cobalt production recorded a 1.6 percent decline, from 6,493 metric tons in 2003 to 6,390 metric tons in 2004. The stone-quarrying index had a growth of 20.0 percent.

Manufacturing

Total manufacturing index showed an increase of 3.8 percent in the first quarter of 2005. All sub-sectors, except textile, clothing and leather industries, basic metal products and fabricated metal products, recorded positive growth.

In 2004, the manufacturing index showed an increase of 5.6 percent. Textile, Clothing and Leather industries declined by 1.9 percent, while Food, beverages and tobacco; Chemicals, Rubbers and Plastic products; and Non-metallic Mineral products each recorded more than 5 percent growth in production.

Food, Beverages and Tobacco Products

There was a 5.9 percent increase in the index in this sector in 2005 quarter 1 compared to 1.0 percent in quarter 1 of 2004. The increase is mainly attributed to the increase in production of grain mill products; opaque beer production; soft drinks and fruit juices; and tobacco products.

Textiles, Clothing and Leather Products

In comparison to the 10.8 percent decline in quarter 1 of 2004, the year 2005 from January to March recorded a decline of 3.6 percent in the production index in this sub-sector. The end of the cotton season leading to inadequate raw materials may have had an impact on the textile and clothing sub-sector.

Chemicals, Rubber and Plastic Products

The Chemicals, Rubber and Plastics index increased by 5.0 percent in the first quarter of 2005 compared to 36.2 percent in the first quarter of 2004. This growth may be attributed to the increase in production of industrial gases and chemicals, pharmaceutical drugs, detergents, rubber linings and plastic products.

Non-metallic Mineral Products

This sub-sector continues to record positive growth. There was an 11.9 percent increase in the index in quarter one of 2005 compared to an increase of 10.6 percent in quarter 1 of 2004. This increase is mainly due to increased production of concrete blocks, lime and cement.

Electricity

The Electricity Index showed a 0.5 percent decline in the period under review. The reduction is mainly due to the major rehabilitation works that have been going on at some of the major power generation stations.

Electricity Generation 2004-2005 (in KWh)

Year	2004				*2005	% Change (2005 Q1/2004 Q1)
Quarter	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	
Electricity Generation (KWh)	1,995,658	1,974,197	2,151,058	1,940,300	1,986,241	(0.5)

**Preliminary*

In 2004, the Electricity Index showed a three percent decline. Generation declined from 8, 310,241 KWh in 2003 to 8,061,213 KWh in 2004.

National Accounts

Zambia's Economy Grows by 5.4 percent in 2004

Final estimates of the Gross Domestic product (GDP) show that the economy grew by 5.4 percent against the revised estimates of 5.0 percent. The 5.4 percent estimates are based on data collected up to the fourth quarter of 2004, while the 5.0 percent estimates were based on data up to the third quarter of the year. The growth mostly emanates from Mining and Quarrying, manufacturing, Construction, Transport and Communications and Restaurants, Bars and Hotels.

Value added in the Agriculture, Forestry and Fisheries sector increased from K432.5 billion in 2003 to K450.8 billion in 2004 recording an increase of 4.3 percent in real terms.

The Mining and quarrying sector experienced a growth of 13.9 percent in 2004 compared to a growth of 3.4 percent in 2003. Real mining output increased from K 216.0 Billion in 2003 to K 243 Billion in 2004. The growth is due to relatively higher copper production levels. Other Mining and Quarrying increased by 35.8 percent in 2004 compared to a 10.7 percent growth in 2003. This was due to increased production levels in the major quarrying establishments and also in Maamba collieries, the sole coal producing company.

The Gross value added in the Manufacturing sector increased from K 311.4 Billion in 2003 to K 325.9 Billion in 2004 representing a growth of 4.7 percent in real terms. This growth mainly emanates from the Non-metallic (14.4%), Chemicals (8.5%), Food, Beverages and Tobacco (5.8%), Fabricated Metals (4.8%) and Wood and Wood products (4.2%) and sub sectors.

In constant 1994 prices, the gross value added in the construction sector is estimated at K237.1 billion in 2004 compared to K196.8 billion in 2003. This represents a growth of 20.5 percent in real terms. The major contributing factors for construction sector growth were the increase in cement sales and quarrying activities. There was also a significant increase in the public and private sector works including a surge in private residential construction.

In terms of percentage contribution to GDP, the Wholesale and Retail Trade sector has the highest share (18.7%) followed by Agriculture (15.4%) and then Manufacturing (10.7%) The Mining and Quarrying sector only accounts for 7.7%. These averages are based on the last four years.

Percentage changes in GDP at 1994 constant prices

Economic Activity	2001	2002	2003	2004
Agriculture	(2.6)	(1.7)	5.0	4.3
Mining and Quarrying	14.0	16.4	3.4	13.9
Metal Mining	15.0	17.1	3.3	13.5
Other Mining and Quarrying	(15.0)	(13.0)	10.7	35.8
Manufacturing	4.2	5.7	7.6	4.7
Food, Beverage and Tobacco	5.3	5.4	8.6	5.8
Textile and Leather	2.3	6.2	3.2	(1.9)
Wood and Wood Products	5.7	7.5	11.4	4.2
Paper and paper Products	3.8	2.2	8.2	2.5
Chemicals and Plastics	4.3	10.0	4.9	8.5
Non-Metallic Minerals	3.5	1.7	14.9	14.4
Basic Metals	(18.0)	4.3	15.1	3.1
Fabricated Metals	(8.0)	(4.0)	5.3	4.8
Electricity and Water	12.6	(5.2)	0.4	(1.7)
Construction	11.5	17.4	21.6	20.5
Wholesale and Retail Trade	5.4	5.0	6.1	5.0
Bars, Restaurants and Hotels	24.4	4.9	6.9	6.4
Transport and Communication	2.8	1.8	4.8	6.4
Financial Institutions and Insurance	0.1	3.5	3.5	3.5
Real Estate and Business Services	3.5	4.4	4.0	4.0
Community and personal Services	5.8	1.6	1.6	0.6
Total Gross Value Added	4.6	4.6	6.0	6.2
Taxes on Products	7.0	(6.8)	(2.8)	(2.7)
Total GDP at Market Prices	4.9	3.3	5.1	5.4

Source: CSO, National Accounts, 2004

Percentage Contribution to GDP at 1994 Constant prices

Kind Of Economic Activity	2001	2002	2003	2004	Period average
Agriculture, Forestry and Fishing	16.0	15.2	15.2	15.0	15.4
Mining and Quarrying	7.0	7.9	7.7	8.4	7.7
- Metal Mining	6.8	7.7	7.6	8.2	7.6
- Other mining and quarrying	0.2	0.1	0.1	0.2	0.2
Manufacturing	10.4	10.7	10.9	10.9	10.7
- Food, Beverages and Tobacco	6.3	6.4	6.6	6.6	6.5
- Textile, and leather Industries	1.8	1.8	1.8	1.7	1.8
- Wood and wood products	0.8	0.8	0.9	0.8	0.8
- Paper and Paper products	0.3	0.3	0.3	0.3	0.3
- Chemicals, rubber and plastic products	0.9	0.9	0.9	1.0	0.9
- Non-metallic mineral products	0.2	0.2	0.2	0.2	0.2
- Basic metal products	0.0	0.0	0.0	0.0	0.0
- Fabricated metal products	0.2	0.2	0.2	0.2	0.2
Electricity, Gas and Water	3.1	2.9	2.7	2.6	2.8
Construction	5.3	6.0	6.9	7.9	6.5
Wholesale and Retail trade	18.4	18.7	18.8	18.8	18.7
Restaurants, Bars and Hotels	2.3	2.3	2.4	2.4	2.3
Transport, Storage and Communications	6.2	6.1	6.1	6.1	6.1
Financial Institutions and Insurance	7.8	7.9	7.7	7.6	7.8
Real Estate and Business services	9.4	9.5	9.4	9.3	9.4
Community, Social and Personal Services	7.8	7.7	7.4	7.1	7.5
Taxes on Products	11.1	10.0	9.3	8.6	9.7
TOTAL G.D.P. AT MARKET PRICES	100.0	100.0	100.0	100.0	100.0

Living Conditions Monitoring Survey III (2002/2003)

Majority of Zambians consider themselves poor

The results of the LCMSIII 2002/2003 published by Central Statistical Office (CSO) revealed that 67 percent of the population was poor. This was based on the objective analysis of the living conditions of the population. However, the same survey also collected information on self-assessed poverty. This measure of poverty was purely subjective based on the perception of the household being interviewed. Households were asked to give indications of their poverty status. The subjective information was meant to supplement information obtained using money metric measures of poverty, which are mainly based on household expenditure data.

The survey results indicate that majority of Zambians, about 95 percent consider themselves to be poor. Those who reported to be moderately poor accounted for about 48 percent and the extremely poor, 47 percent. Only 5 percent of the 2 million households in Zambia perceived themselves to be non-poor.

Regional analysis of self-assessed poverty indicates that Western Province had the highest percentage of extremely poor households (65 percent) followed by Eastern Province, at 58 percent. More than half of the households in Central and Southern provinces also identified themselves to be extremely poor. Alternatively, the majority of households in Northern, Luapula, Lusaka, Northwestern and Copperbelt provinces reported moderate levels of poverty. The percentage of the non-poor was highest in Lusaka Province and lowest in Eastern Province.

Percentage Distribution of Households by Self-Assessed Poverty, Rural/Urban, Gender of Head, Stratum and Province, Zambia, 2002/2003

Sex of Head, Rural/urban, Stratum and Province	Extremely poor	Moderately Poor	Not Poor	Total
All Zambia	47	48	5	100
Sex of Head				
Male Head	43	51	5	100
Female Head	58	39	3	100
Rural/Urban				
Rural	52	45	3	100
Urban	37	55	8	100
Urban Stratum				
Low Cost Areas	42	54	4	100
Medium Cost Areas	22	64	14	100
High Cost Areas	16	57	27	100
Province				
Central	52	44	4	100
Copperbelt	44	48	8	100
Eastern	58	40	2	100
Luapula	40	58	3	100
Lusaka	37	55	9	100
Northern	35	60	5	100
North-western	42	52	6	100
Southern	52	45	3	100
Western	65	32	3	100

Analysis of perceived poverty by gender of household head shows that more than half of female-headed households, 58 percent, perceived themselves to be extremely poor compared to only 43 percent of male-headed households. However, most of the male-headed households identified themselves to be living in moderate poverty, 51 percent, compared to 39 percent of female-headed households.

Further analysis of self-assessed poverty by location reveals high percentages of households in rural areas that reported to be extremely poor, at 52 percent, compared to 37 percent in urban areas. The proportion of households that reported living in moderate poverty was higher in urban at 55 percent as compared to 45 percent in rural areas.

In the case of urban households, a large percentage of households residing in low cost areas considered themselves to be extremely poor (42 percent) compared to those living in medium and high cost areas, at 22 and 16 percent respectively. A higher percentage of the non-poor households (27 percent) was observed in high cost areas.

Agriculture & Environment

Highlights Of The 2004/2005 Crop Forecasting Survey

Results of the Crop forecasting Survey (CFS) for the 2004/2005 Agricultural Season carried out by the Central Statistical Office in conjunction with the Ministry of Agriculture and Cooperatives shows that Zambia has produced enough food for consumption.

Total maize production has been estimated to be 866,187 metric tonnes (Mt). This is a reduction of 28.6 percent in comparison to the production that was achieved during the 2003/2004 Agricultural Season. The partial drought that the country experienced lead to a 46 percent reduction in the average maize yield rate from 1.9 Mt per hectare in the previous season to 1.0 Mt per hectare in the 2004/2005 season. However, total maize hectare age increased by 32 percent to 834,981 hectares from 631,080 hectares in the 2003/2004 Agricultural Season. The highest increase in Maize production was recorded in Luapula Province where production increased by 56 percent to 31,883 Mt from 20,462 Mt in the 2003/2004 Season. Production in Northern Province increased by 28 percent from 91,878 Mt in the 2003/2004 Season to 118,017 Mt in 2004/2005. However, maize production in the North Western Province reduced by 15 percent, from 47,783 Mt, in the 2003/2004 Season, to 40,814 Mt in the 2004/2005 seasons. Lusaka and Southern provinces had a reduction of 44 percent and 43 percent respectively in the total quantity of maize produced.

The contribution to national maize production by large-scale farmers has slightly increased by 0.2 % to 254,803 Mt from 254,253 Mt. On the other hand, the contribution by small and medium scale farmers to national maize production has decreased by 36 % to 611,384 Mt from 959,346 Mt the previous season. The drop in the contribution to total maize production by the small-scale farmers is partly because of the fact that small-scale farmers are less likely to have access to irrigation facilities, compared to large-scale farmers.

Area Planted Production and Yield Rates of Maize by Province

Province	Area Planted (Ha)			Production (Mt)			Yield Rates		
	2004	2005	% Change	2004	2005	% Change	2004	2005	% Change
Central	118,340	130,130	10	331,856	204,230	- 38	2.8	1.6	-44
Copperbelt	57,250	64,598	13	141,483	118,737	-16	2.5	1.8	- 26
Eastern	168,853	202,373	20	260,469	169,315	-35	1.5	0.8	- 46
Luapula	12,798	23,252	82	20,462	31,883	56	1.6	1.4	-14
Lusaka	19,785	29,322	48	58,590	33,061	- 44	3.0	1.1	- 62
Northern	53,730	92,685	73	91,878	118,017	28	1.7	1.3	-26
Nwestern	28,911	34,977	21	47,783	40,814	-15	1.7	1.2	-29
Southern	117,477	172,746	47	211,976	120,518	-43	1.8	0.7	-61
Western	53,936	84,898	57	49,102	29,612	-40	0.9	0.3	-62
Zambia	631,080	834,981	32	1,213,599	866,187	-29	1.9	1.0	-46

Source: *2004/2005 Crop Forecasting Survey*

According to the National Food Balance Sheet for the 2005/2006 Marketing Year, based on the CFS for the 2004/2005 Agricultural Season the country has a maize carry over stock of 190,702 Mt being kept by commodity traders, the Food Reserve Agency (FRA), millers, and commercial farmers as at 1st May 2005, including stocks held by small scale farmers in rural areas. This is because of the bumper harvest experienced during the 2003/2004 Agricultural Season. This brings total availability of maize for the country to 1,056,889 Mt. For an estimated total population of 11.6 million people, total maize requirements amount to 1,141,889 Mt. When total maize requirements are netted out of total maize availability, the country has a maize deficit amounting to 85,000 Mt and therefore the country has no surplus maize to export. This is in contrast to a surplus of 185,000 Mt of maize produced during the 2003/2004 Season.

The country has recorded a surplus of 324,834 Mt of cassava flour equivalent. Cassava production has been estimated to be 1,056,000 Mt of flour equivalent. This is in contrast to production of 897,048 Mt the previous season. Cassava production in the 2004/2005 Season has therefore increased by 16 percent when compared to the 2003/2004 Agricultural Season.

The total food surplus (all cereals plus cassava, irish and sweet potatoes) when converted into maize meal equivalent, amount to 214,413 Mt.

Zambia National Food Balance Sheet for the 2005/2006 Marketing Years based on the 2004/2005 MACO/CSO Crop Production Estimates (Metric Tonnes)

			Maize	Paddy rice	Wheat	Sorghum/ millet	Sweet and Irish potatoes	Cassava flour	Total (Maize mealie meal equivalent)
A.	Availability:								
	(i) Opening stocks (1st May 2005)	1/	190,702	103	156	2,445	0	380	174,305
	(ii) Total production (2004/05)	2/	866,187	13,338	136,833	48,297	82,489	1,056,000	1,932,498
	Total availability		1,056,889	13,440	136,989	50,742	82,489	1,056,380	2,106,803
B.	Requirements:								
	(i) Staple food requirements:								
	Human consumption	3/	1,024,080	24,673	131,658	46,327	78,364	709,926	1,754,712
	Food Reserve Stocks (net)	4/	0	100	0	1,000	0	500	1,406
	(ii) Industrial requirements:								0
	Stock feed	5/	52,000	0	0	0	0	0	46,800
	Breweries	6/	15,000	0	0	0	0	0	13,500
	Seed	7/	7,500	0	1,500	1,000	0	0	8,733
	(iii) Losses	8/	43,309	667	6,842	2,415	4,124	21,120	67,241
	Total requirements		1,141,889	25,440	140,000	50,742	82,489	731,546	1,892,391
C.	Surplus/deficit (A-B)	9/	-85,000	-12,000	-3,011	0	0	324,834	214,413
D.	Commercial import requirements	10/		12,000	3,011				
E.	Food aid import requirements	11/							

Note:

1/ *Stocks expected to be held by commodity traders, millers, FRA and commercial farmers as at 1st May 2005, including stocks held by small-scale farmers in rural areas.*

2/ *Production estimates from MACO/CSO. Cassava production is based on the total area under cassava, using an annual yield figure of 11.7 tonnes per hectare (MAFF Root and Tuber Improvement Programme, 1996). A flour extraction rate of 25% is used. Other tubers are sweet potatoes and Irish potatoes.*

3/ *Staple foods are assumed to represent 70% (1,421 kCal/person/day) of total diet (2,030 kCal/person/day), converted to crop requirements for the national 2005/06 population of 11.57 million people.*

4/ Locally purchased FRA stocks expected to be carried over into the next season (this does not indicate total FRA purchases on the local market or imports)

5/ Estimated requirements by major stock feed producers.

6/ Estimated requirements by industrial breweries.

7/ Estimated seed crop grown for seed companies.

8/ Post harvest losses are estimated at 5% for grains and sweet potatoes in line with estimates from other SADC countries, and 2% for cassava.

9/ Expected surpluses or deficits that arise after meeting minimum overall staple human consumption requirements as well as industrial requirements. Cassava and maize may be substitutable with other crops and may result in different exportable volumes than the ones indicated here. The total is expressed as maize mealie meal equivalent using energy values.

The rice deficit is based on what is known to be imported each year, as indicated under D.
The wheat deficit is based on the estimated market size as indicated in B, less availability as indicated in A.

The maize mealie meal equivalent and cassava flour surplus represents an overall surplus of staple foods. Cross-substitution may make this surplus partly available in the form of other crops.

10/ Imports required to be made by the private sector to meet the commercial market demands.

11/ Total estimated requirement for food relief among vulnerable groups, to be imported. This could be met with maize or other grains.

The Layman and Statistics

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.

GDP: Gross Domestic Product. The total volume of goods and services produced in the economy

Self-Assessed Poverty: A subjective measure of poverty based on the household's perception of poverty status.

Available at
Central Statistical Office

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