Serving Your Data Needs Serving Your Data Needs

Foreword

Welcome to the Monthly presentation organised by Dissemination Branch. The Central Statistical Office (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 department 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, (which is produced on a monthly basis), 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.
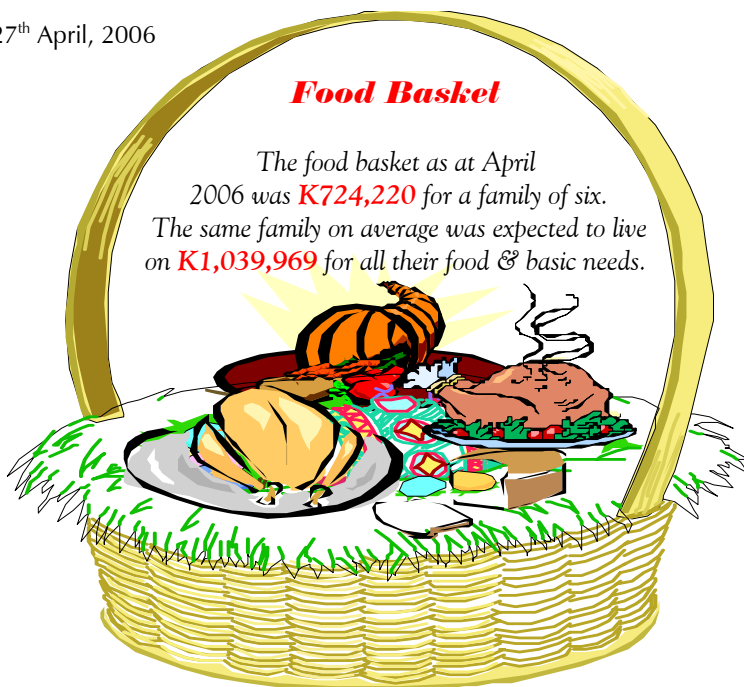
Finally, I would like to urge our readers and users of statistical information to send any comments that may enhance statistical production and contribute to the improvement of this publication to us.

Ms. Efreda Chulu
Acting Director of Census and Statistics

27th April, 2006

Food Basket

*The food basket as at April 2006 was **K724,220** for a family of six. The same family on average was expected to live on **K1,039,969** for all their food & basic needs.*

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- HIV Counselling and Testing increases in Antenatal Clinics!
- Adolescents delay sexual debut
- Men dominate the Informal Non-agriculture Sector
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Feature Article 1

- Inflation misunderstood

Feature Article 2

- 77 percent of the population in Luapula Province lives below the poverty line!
- Poverty level increases among household heads running a business
- Education, Key to low Levels of Poverty
- More Male-headed households in Poverty
- All household heads aged 12-19 years are poor in Luapula Province
- 88 percent of the population in Milengi District live in Total Poverty

Inflation

April Inflation Hit Single Digit

The Monthly inflation rate as at April 2006 was a marginal 0.2 percent, meaning that the average rate of increase in prices was only 0.2 percent from March 2006 to April 2006.

Month on Month Inflation Rates: Composite

Month on Month	Total	Food & Bever	Cloth & Footwear	Rent Fuel & H/Hold	Furn & H/hold Goods	Med Care	Trans & Comm	Recreat & Educ	Other Goods & Serv
Jan 05 - Dec 04	3.2	3.7	0.2	4.6	1.9	1.9	1.6	5.2	3.4
Feb 05 - Jan 05	1.5	1.2	1.5	4.0	1.5	1.0	1.2	0.6	1.4
Mar 05 - Feb 05	0.4	0.0	1.0	0.6	1.4	0.7	0.4	1.2	1.0
Apr 05 - Mar 05	1.3	1.4	0.4	2.9	1.8	0.2	0.4	0.5	0.9
May 05 - Apr 05	1.1	1.1	1.3	0.9	0.4	0.5	1.9	1.8	1.0
Jun 05 - May 05	0.8	0.3	1.4	3.8	1.5	1.3	-0.2	0.1	0.8
Jul 05 - Jun 05	0.2	-0.1	0.4	1.2	1.3	1.1	-1.1	0.2	1.1
Aug 05 - Jul 05	1.5	2.3	1.4	0.7	0.4	1.9	0.0	0.2	0.9
Sep 05 - Aug 05	1.4	0.9	1.2	0.9	3.7	0.4	3.0	1.4	0.3
Oct 05 - Sep 05	1.1	1.1	2.0	2.2	0.7	0.4	-0.8	0.7	0.9
Nov 05 - Oct 05	1.3	2.1	1.8	1.3	0.9	0.8	-2.5	0.7	1.0
Dec 05 - Nov 05	1.0	2.4	1.5	0.7	1.2	0.1	-7.1	0.1	1.2
Jan 06 - Dec 05	-0.1	-0.5	0.8	-0.4	2.1	1.6	-3.7	4.1	0.6
Mar 06 - Feb 06	0.8	0.6	2.0	2.1	0.3	1.6	-0.4	0.3	0.4
Apr 06 - Mar 06	0.2	-1.1	2.8	0.8	2.2	3.3	0.1	0.5	3.6

Source: CSO, Consumer Price Index, April, 2006

When broken down by component, the other goods and services component had the highest increase in average prices (3.6 percent), followed by the medical care (3.3 percent), clothing and footwear (2.8 percent), and furniture and household goods (2.2 percent).

The food beverages and tobacco component registered a negative monthly increase in prices from March to April 2006 of - 1.1 percent.

Twelve Month Inflation Rate
April 2005 - April 2006
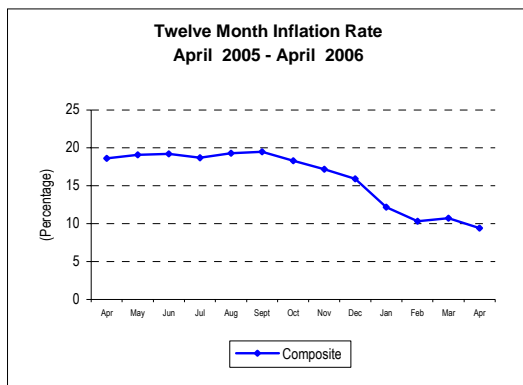
Source: CSO, Consumer Price Index, April, 2006

The annual rate of inflation was recorded at 9.4 percent as at April 2006. This rate is 1.3 percentage points lower than the March rate of 10.7 percent.

Lower Food Prices influence April Inflation

Month on Month Inflation Rates: Food and Non food

Period	Total	Food	Non-Food
2001			
Jan 01 - Dec 00	3.4	4.6	2.3
Feb 01 - Jan 01	3.3	5.9	0.5
Mar 01 - Feb 01	2.0	2.5	1.4
Apr 01 - Mar 01	-0.6	-1.2	0.1
May 01 - Apr 01	-1.5	-4.2	1.5
Jun 01 - May 01	-0.9	-3.0	1.2
Jul 01 - Jun 01	1.5	0.6	2.4
Aug 01 - Jul 01	1.1	1.2	1.0
Sep 01 - Aug 01	1.4	1.3	1.6
Oct 01 - Sep 01	1.9	2.5	1.2
Nov 01 - Oct 01	2.5	3.6	1.4
Dec 01 - Nov 01	3.5	5.4	1.4
2002			
Jan 02 - Dec 01	4.3	6.7	1.7
Feb 02 - Jan 02	2.9	3.7	2.0
Mar 02 - Feb 02	1.0	0.4	1.7
Apr 02 - Mar 02	-0.8	-1.6	0.1
May 02 - Apr 02	1.0	1.2	0.9
Jun 02 - May 02	1.2	1.0	1.4
Jul 02 - Jun 02	1.4	1.7	1.0
Aug 02 - Jul 02	1.3	1.6	1.0
Sep 02 - Aug 02	1.5	1.9	1.1
Oct 02 - Sep 02	1.8	2.5	1.0
Nov 02 - Oct 02	3.8	5.7	1.5
Dec 02- Nov 02	4.6	6.3	2.5
2003			
Jan 03 - Dec 02	2.3	3.2	1.1
Feb 03 - Jan 03	1.7	0.5	3.3
Mar 03 - Feb 03	0.8	-0.7	2.6
Apr 03 - Mar 03	0.2	-0.7	1.3
May 03 - Apr 03	0.9	-0.4	2.5
Jun 03 - May 03	-0.2	-1.3	0.9
Jul 03 - Jun 03	-0.1	-0.6	0.5
Aug 03 - Jul 03	1.4	1.9	1.0
Sep 03 - Aug 03	2.2	3.2	1.1
Oct 03 - Sep 03	1.8	2.4	1.2
Nov 03 - Oct 03	2.0	1.9	2.2
Dec 03 - Nov 03	2.9	3.5	2.2
2004			
Jan 04 - Dec 03	2.6	2.3	2.9
Feb 04 - Jan 04	1.1	0.9	1.4
Mar 04 - Feb 04	1.5	2.0	1.0
Apr 04 - Mar 04	0.3	-0.4	1.1
May 04 - Apr 04	0.7	0.1	1.3
Jun 04 - May 04	0.8	0.2	1.3
Jul 04 - Jun 04	0.6	0.4	0.9
Aug 04 - Jul 04	1.0	0.9	1.1
Sep 04 - Aug 04	1.2	0.6	1.9
Oct 04 - Sep 04	2.1	2.7	1.3
Nov 04 - Oct 04	2.3	2.6	1.9
Dec 04 - Nov 04	2.2	3.0	1.3
2005			
Jan 05 - Dec 04	3.2	3.7	2.7
Feb 05 - Jan 05	1.5	1.2	1.9
Mar 05 - Feb 05	0.4	0.0	0.9
Apr 05 - Mar 05	1.3	1.4	1.3
May 05 - Apr 05	1.1	1.1	1.2
Jun 05 - May 05	0.8	0.3	1.4
Jul 05 - Jun 05	0.2	-0.1	0.5
Aug 05 - Jul 05	1.5	2.3	0.6
Sep 05 - Aug 05	1.4	0.9	1.9
Oct 05 - Sep 05	1.1	1.1	1.0
Nov 05 - Oct 05	1.3	2.1	0.5
Dec 05 - Nov 05	1.0	2.4	-0.6
2006			
Jan 06 - Dec 05	-0.1	-0.5	0.5
Feb 06 - Jan 06	-0.2	-1.0	0.8
Mar 06 - Feb 06	0.8	0.6	0.9
Apr 06 - Mar 06	0.2	-1.1	1.5

Twelve Month Inflation Rates: Food and Non food (Percent)

Period	Total	Food	Non-Food
2001			
Jan 01 - Jan 00	30.0	27.1	33.3
Feb 01 - Feb 00	29.1	27.3	31.3
Mar 01 - Mar 00	28.8	26.8	31.2
Apr 01 - Apr 00	24.8	24.0	25.6
May 01 - May 00	22.2	19.3	25.4
Jun 01 - Jun 00	20.2	15.3	25.7
Jul 01 - Jul 00	17.1	12.2	22.6
Aug 01 - Aug 00	16.8	12.4	21.6
Sep 01 - Sep 00	17.4	13.4	21.7
Oct 01 - Oct 00	17.2	14.0	20.5
Nov 01 - Nov 00	17.7	16.6	18.9
Dec 01 - Dec 00	18.7	20.2	17.1
2002			
Jan 02 - Jan 01	19.6	22.6	16.4
Feb 02 - Feb 01	19.2	20.1	18.2
Mar 02 - Mar 01	18.1	17.6	18.6
Apr 02 - Apr 01	17.8	17.1	18.6
May 02 - May 01	20.9	23.8	17.9
Jun 02 - Jun 01	23.6	28.9	18.1
Jul 02 - Jul 01	23.4	30.3	16.6
Aug 02 - Aug 01	23.7	30.8	16.7
Sep 02 - Sep 01	23.8	31.6	16.1
Oct 02 - Oct 01	23.8	31.7	15.8
Nov 02 - Nov 01	25.3	34.4	15.9
Dec 02- Dec 01	26.7	35.5	17.2
2003			
Jan 03 - Jan 02	24.3	31.1	16.5
Feb 03 - Feb 02	22.8	27.1	18.0
Mar 03 - Mar 02	22.6	25.7	19.0
Apr 03 - Apr 02	23.9	26.9	20.5
May 03 - May 02	23.7	24.9	22.4
Jun 03 - Jun 02	21.9	22.1	21.8
Jul 03 - Jul 02	20.2	19.3	21.1
Aug 03 - Aug 02	20.3	19.7	21.0
Sep 03 - Sep 02	21.1	21.2	21.0
Oct 03 - Oct 02	21.1	21.0	21.3
Nov 03 - Nov 02	19.1	16.6	22.1
Dec 03 - Dec 02	17.2	13.5	21.7
2004			
Jan 04 - Jan 03	17.4	12.5	23.8
Feb 04 - Feb 03	16.8	12.9	21.6
Mar 04 - Mar 03	17.6	15.9	19.6
Apr 04 - Apr 03	17.8	16.3	19.4
May 04 - May 03	17.4	16.9	18.0
Jun 04 - Jun 03	18.6	18.7	18.5
Jul 04 - Jun 03	19.5	19.9	19.0
Aug 04 - Aug 03	18.9	18.7	19.2
Sep 04 - Sep 03	17.8	15.7	20.1
Oct 04 - Oct 03	18.0	16.0	20.3
Nov 04 - Nov 03	18.3	16.8	20.0
Dec 04 - Dec 03	17.5	16.3	18.9
2005			
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
2006			
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

Annual food inflation was recorded at 8.3 percent, declining by 2.6 percentage points on the March rate of 10.9 percent. Contributing most to the decline in inflation were decreases in the cost of maize grain, meat, dried Kapenta, fish, dressed chicken, tubers (sweet and Irish Potatoes), dried beans, shelled groundnuts, fresh vegetables, eggs and milk products. However, mealie meal prices recorded marginal increases.

Annual no-food inflation rate stood at 10.6 percent, compared with 10.4 percent in March 2006. Contributing to this rise were increases in the cost of clothing and footwear.

Maize Grain prices decline

National Average prices for Selected Products and Months

Product Description	2005		2006				Percentage Change (%)
	Nov	Dec	Jan	Feb	Mar	Apr	Apr06/Mar06
White breakfast 25Kg	42,460	43,461	43,829	43,325	43,313	43,470	0.4
White Roller 25Kg	34,576	35,643	36,477	36,600	36,491	36,724	0.6
White Maize 20 litre tin	19,060	20,698	21,106	23,184	22,433	17,950	-20.0
Millet 5 litre tin	5,776	6,162	6,427	6,493	7,234	6,695	-7.5
Cassava meal 1Kg	2,950	2,233	2,367	3,232	3,104	2,820	-9.1
Mince Meat 1 Kg	16,954	16,803	16,386	16,799	17,567	16,627	-5.4
Mixed Cut 1 Kg	12,784	12,591	12,714	12,865	13,451	13,439	-0.1
Offals 1 Kg	8,756	8,405	8,210	8,104	8,304	8,221	-1.0
Dressed chicken 1 Kg	13,562	12,999	13,519	13,542	13,723	13,576	-1.1
Fresh Kapenta 400 gms	4,219	4,202	4,181	4,223	4,245	4,008	-5.6
Buka Buka 1 Kg	10,153	10,317	10,078	10,038	10,053	9,923	-1.3
Dried Kapenta Mpulungu 1 Kg	33,551	33,489	31,966	31,422	32,824	31,246	-4.8
Dried Kapenta Chisense 1 Kg	25,108	24,660	22,538	22,757	20,939	17,293	-17.4
Dried bream 1 Kg	22,283	23,400	24,350	23,598	23,398	23,167	-1.0
Eggs 1 Unit	5,875	5,810	5,786	5,761	5,643	5,567	-1.3
Cabbage 1kg	1,259	1,507	1,371	1,339	1,449	1,423	-1.8
Tomatoes 1kg	2,635	2,763	2,712	2,372	2,423	2,359	-2.6
Peas 1kg	7,742	7,401	7,162	7,010	12,270	11,084	-9.7
Chinese cabbage 1kg	1,778	2,053	1,758	1,866	1,761	1,699	-3.5
Cucumber 1kg	3,075	2,818	2,126	2,824	2,563	2,365	-7.7
Fresh okra 1kg	5,199	5,744	4,730	4,641	3,833	3,461	-9.7
Impwa 1kg	3,379	3,474	2,785	2,538	2,191	2,027	-7.5
Dried beans 1kg	5,547	6,203	6,077	6,382	6,282	5,820	-7.4
Shelled groundnut 1kg	5,697	6,484	6,524	6,388	6,886	6,537	-5.1
Oranges 1kg	4,202	4,437	4,909	4,625	4,369	3,960	-9.4
Sweet potatoes 1kg	1,606	1,994	1,897	2,460	1,740	1,032	-40.7
Irish potatoes 1kg	2,801	3,121	3,348	3,059	2,735	2,552	-6.7
Charcoal 50 kg bag	16,496	16,789	16,947	17,316	17,627	17,352	-1.6
Paraffin 1 litre	4,304	4,266	3,875	3,790	3,769	3,772	0.1
Petrol Premium 1 litre	6,287	6,028	5,433	5,136	5,097	5,122	0.5
Nshima with Beef 2 Star Down to Motel	20,497	20,341	20,421	21,029	20,144	19,658	-2.4
Takeaway chicken & chips	11,561	11,663	11,644	11,130	12,130	11,939	-1.6

Source: CSO, Consumer Price Index, April, 2006

A comparison of prices between March and April 2006 shows that the national average price of 1kg of 20 litre tin of maize grain declined by 20.0 percent, from K22, 433 to K17, 950. The average price of 1kg of dried Kapenta (Chisense) declined by 17.4 percent, while the average price of 1 kg of tomatoes declined by 2.6 percent. However, the average price of a 25kg bag of roller meal increased by 0.6 percent.

Contributions of different items to overall inflation

Items	Percentage Points Contributions of different items to overall inflation											
	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06
Food Beverages and Tobacco	10.1	10.1	9.8	10.7	10.8	9.9	9.6	9.3	6.8	5.4	5.8	4.4
Clothing and Footwear	1.0	1.1	1.0	1.1	1.1	1.2	1.1	1.1	1.2	1.5	1.7	1.9
Rent and household energy	2.4	2.7	2.8	2.8	2.8	2.9	2.8	2.6	1.9	1.6	1.7	1.5
Furniture and Household Goods	1.9	1.9	2.0	1.8	2.0	2.0	1.8	1.8	1.8	1.3	1.2	1.3
Medical Care	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transport (fuel, airfares, new motor vehicles)	2.1	1.8	1.5	1.3	1.3	0.8	0.4	-0.3	-0.8	-0.9	-0.9	-1.0
Recreation and Education	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8
Other Goods and Services	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.4
All Items	19.1	19.2	18.7	19.3	19.5	18.3	17.2	15.9	12.2	10.3	10.7	9.4

This decline of 1.4 percentage points is mainly accounted for by the fall in the cost of food products and household energy.

Of the total 9.4 percent annual inflation in April 2006, increases in food prices accounted for 4.4 percentage points while non-food items in the Consumer Price Index (CPI) accounted for 5.0 percentage points.

International Merchandize Trade

Value of Exports Less than Value of Imports

During the first quarter of 2006 (January, February and March), Zambia's Trade Balance has been negative through out the period. This means that the country has been importing more that it has been exporting in value terms.

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

Months	Imports (CIF)	Domestic Exports	Re-Exports (fob)	Total Exports (FOB)	Trade Balance
Jan-06	658,681	585,194	3,143	588,336	(70,344)
Feb-06	604,651	585,803	1,885	587,688	(16,962)
Mar-06*	737,786	714,992	973	715,965	(21,822)
Total:	2,001,118	1,885,989	6,001	1,891,989	(109,128)

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

Exports

The total value of exports in January 2006 was K588.3 billion compared to K587.7 billion in February 2006. However, in March 2006 the total value of exports was K716.0 billion. In all the three months, the prominent exports were manufactured goods classified chiefly by material, which accounted for 80.6, 79.1 and 73.3 percent of total exports in January, February and March 2006 respectively. Other important exports were food and live animals

and crude materials (excluding fuels), which accounted for an average of 4.9 percent and 10.5 percent respectively during the months of January, February and March 2006.

Total Exports by (SITC) sections, February and March 2006*, K' Millions

Code	Description	Jan-06		Feb-06		Mar-06*	
		Value	% Share	Value	% Share	Value	% Share
0	Food & Live Animals	30,646	5.2	32,438	5.5	28,591	4.0
1	Beverages & Tobacco	7,012	1.2	14,110	2.4	8,573	1.2
2	Crude Materials, (Excluding Fuels)	59,122	10.0	58,048	9.9	82,919	11.6
3	Mineral Fuels, Lubricants & Related Materials	2,660	0.5	4,845	0.8	1,709	0.2
4	Animal & Vegetable Oils, Fats & Waxes	292	0.0	278	0.0	235	0.0
5	Chemicals	3,148	0.5	2,259	0.4	2,668	0.4
6	Manufactured Goods Classified Chiefly By Material	473,955	80.6	464,893	79.1	525,127	73.3
7	Machinery & Transport Equipment	10,525	1.8	9,286	1.6	64,651	9.0
8	Miscellaneous Manufactured Articles	880	0.1	1,470	0.3	1,416	0.2
9	Commodities & Transactions Not elsewhere classified in SITC	98	0.0	61	0.0	76	0.0
TOTAL:		588,336	100.0	587,688	100.0	715,965	100.0

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

Zambia's Major Exports in March 2006

Zambia's major export product in March 2006 was copper accounting for 66.0 percent of Zambia's total export earnings. Other export products worth noting, though on a smaller scale were ores, slags and ash (8 percent), other base metals - such as cobalt (5 percent) and cotton (2 percent).

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

HS Code	Description	Value	Share (%)
74	Copper and Articles Thereof	475,197	66.0
26	Ores, Slag and Ash	58,763	8.0
81	Other Base Metals; Cermets; Articles Thereof	37,645	5.0
52	Cotton	13,931	2.0
17	Sugars And Sugar Confectionery	10,355	1.0
06	Live Tree & Other Plant; Bulb, Root; Cut Flowers etc	8,896	1.0
24	Tobacco and Manufactured Tobacco Substitutes	8,371	1.0
85	Electrical Machinery Equipment Parts Thereof; Sound Recorder etc.	7,380	1.0
	Other	95,427	15.0
TOTAL:		**715,965**	**100.0**

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

Zambia's Major Export Destinations in March 2006

The three major destinations of Zambia's exports during the month of March 2006 were Switzerland, South Africa and United Kingdom. These three countries alone accounted for about 66.5 percent of Zambia's total exports. Other important outlets for Zambia's exports were Malawi, Tanzania, France, Netherlands and Congo (DR); jointly accounting for 26.2 percent of Zambia's total exports in March 2006.

Zambia's Major Export Destinations by country, March 2006, K' Millions

Destination	Value	Share (%)
Switzerland	220,668	30.8
South Africa	171,766	24.0
United Kingdom	84,092	11.7
Malawi	61,278	8.6
Tanzania	59,527	8.3
France	31,139	4.3
Netherlands	18,837	2.6
Congo (DR)	17,101	2.4
China	10,912	1.5
United States of America	5,301	0.7
Belgium	5,253	0.7
Zimbabwe	5,036	0.7
Kenya	4,653	0.6
Japan	4,057	0.6
Germany	2,784	0.4
India	2,193	0.3
Other	11,366	1.6
TOTAL:	**715,965**	**100.0**

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

Export Market Shares by Regional Groupings

The SADC grouping of countries accounted for 42.1 percent and 44.4 percent of Zambia's total exports in February and March 2006 respectively. Within SADC region, South Africa was the major market of Zambia's exports accounting for 70.1 percent in February and 54.0 percent in March 2006.

The European Union was the second largest destination of Zambia's exports after SADC, accounting for 16.4 and 20.3 percent in February and March 2006 respectively. Within the EU, the dominant market was the United Kingdom with market shares of about 53.1 and 57.8 percent in the respective months. Other key markets were France and Netherlands.

The Asian and COMESA markets were also important outlets of Zambia's export products each accounting for 7.1 and 6.1 percent in February 2006 respectively and 2.5 and 12.7 percent in March 2006 respectively. Within the Asian market, China dominated accounting for 69.2 and 60.8 percent in February and March 2006 respectively. Other destinations included Japan and India together accounting for 22.4 in February and 34.8 percent in March 2006.

In the COMESA region, Congo (DR) dominated in February with 64.5 percent followed by Zimbabwe with 13.4 percent. In March 2006, Congo (DR) as the main outlet of Zambia's exports with 67.5 percent followed by Zimbabwe with 18.8 percent.

Export Market Shares by Regional Groupings, February and March 2006

Grouping	February 2006		March 2006	
	Value	% Share	Value	% Share
SADC	247,201	100.0	317,809	100.0
SOUTH AFRICA	173,378	70.1	171,766	54.0
TANZANIA	38,366	15.5	61,278	19.3
Congo (DR)	23,035	9.3	59,527	18.7
Other SADC:	12,423	5.0	25,238	7.9
% of Total Exports	42.1		44.4	
EU	96,252	100.0	145,410	100.0
United Kingdom	51,155	53.1	84,092	57.8
FRANCE	25,191	26.2	31,139	21.4
NETHERLANDS	8,817	9.2	18,837	13.0
Other EU	11,089	11.5	11,341	7.8
% of Total Exports	16.4		20.3	
ASIA	41,557	100.0	17,952	100.0
CHINA	28,750	69.2	10,912	60.8
JAPAN	6,338	15.3	4,057	22.6
INDIA	2,967	7.1	2,193	12.2
Other ASIA:	3,502	8.4	789	4.4
% of Total Exports	7.1		2.5	
COMESA	35,733	100.0	90,830	100.0
Congo (DR)	23,035	64.5	61,278	67.5
ZIMBABWE	4,792	13.4	17,101	18.8
MALAWI	3,156	8.8	5,036	5.5
Other COMESA	4,751	13.3	7,415	8.2
% of Total Exports	6.1		12.7	

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

Note: Some countries are members of both SADC and COMESA

Imports

The total value of imports in January 2006 was K658.7 billion compared to K604.7 billion in February 2006. However, in March 2006 the total value of imports was K737.8 billion. In all these months, the prominent imports were machinery and transport equipment, which accounted for 37.9, 40.8 and 37.6 percent of total imports in January, February and March 2006 respectively. Other important imports were chemicals, which accounted for an average of 14.3 percent; while mineral fuels, lubricants and related materials, accounted for average of 13.2 percent during the months of January, February and March 2006.

Total Imports by Standard International Trade Classification (SITC) sections, February and March 2006*, K' Millions

Code	Description	January 2006		February 2006		March 2006	
		Value	% Share	Value	% Share	Value	% Share
0	Food & Live Animals	54,365	8.3	73,414	12.1	59,838	8.1
1	Beverages & Tobacco	1,342	0.2	1,768	0.3	3,048	0.4
2	Crude Materials, (Excluding Fuels)	20,533	3.1	16,799	2.8	19,913	2.7
3	Mineral Fuels, Lubricants & Related Materials	116,654	17.7	25,666	4.2	130,762	17.7
4	Animal & Vegetable Oils, Fats & Waxes	11,743	1.8	12,283	2.0	12,166	1.6
5	Chemicals	94,704	14.4	95,969	15.9	94,025	12.7
6	Manufactured Goods Classified Chiefly By Material	80,162	12.2	103,900	17.2	106,101	14.4
7	Machinery & Transport Equipment	249,937	37.9	246,717	40.8	277,288	37.6
8	Miscellaneous Manufactured Articles	28,769	4.4	27,416	4.5	34,499	4.7
9	Commodities & Transactions not elsewhere classified in SITC	474	0.1	719	0.1	147	0.0
	TOTAL:	658,681	100.0	604,651	100.0	737,786	100.0

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

Zambia's Major Imports in March 2006

The major import products in March 2006 were boilers, machinery & mechanical appliances and also mineral fuels, oils and their products. These two product categories accounted for about 18.0 percent each in the total import bill for the month. Other important import products were electrical machinery and equipment (10.0 percent), vehicles (9.0 percent) and cereals (5.0 percent).

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

HS Code	Description	Value	Share (%)
84	Nuclear Reactors, Boilers, Machinery & Mechanical Appliance; Parts	132,593	18.0
27	Mineral Fuels, Oils & Product of their Distillation; Etc	130,935	18.0
85	Electrical Machinery and Equipment & Parts Thereof; Sound Recorder etc	72,353	10.0
87	Vehicles other than railway/ Tramway rolling stock, and parts & accessories thereof	69,797	9.0
10	Cereals	40,426	5.0
73	Articles Of Iron And Steel	29,552	4.0
72	Iron And Steel	24,602	3.0
39	Plastics And Articles Thereof	20,791	3.0
30	Pharmaceutical Products	17,702	2.0
38	Miscellaneous Chemical Products	15,444	2.0
28	Inorganic Chemicals; Compounds of Prec Met, Radioactive Elements..	15,202	2.0
15	Animal/Veg Fats & Oil & Their Cleavage Products; Etc	13,741	2.0
40	Rubber And Articles Thereof	13,314	2.0
25	Salt; Sulphur; Earth & Ston; Plastering Mat; Lime & Cem	11,098	2.0
48	Paper & Paperboard; Art of Paper Pulp, Paper/Paperboard	11,039	1.0
Other		119,197	17.0
TOTAL:		**737,786**	**100**

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

Zambia's Major Import Sources by country, March 2006

The major source of Zambia's imports in March 2006 was South Africa, accounting for 48.7 percent alone in the total import bill for the month. The second main source was the United Arab Emirates (13.8 percent) followed by Zimbabwe accounting for 4.6 percent of Zambia's imports in March 2006. Other sources were Tanzania, United Kingdom and India; jointly accounting for 10.6 percent of Zambia's total imports in March 2006.

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

COUNTRY	Value	Share (%)
South Africa	359,466	48.7
United Arab Emirates	101,664	13.8
Zimbabwe	34,250	4.6
Tanzania, United	33,079	4.5
United Kingdom	24,406	3.3
India	20,482	2.8
Sweden	18,543	2.5
Japan	11,569	1.6
Netherlands	11,246	1.5
Kenya	11,085	1.5
Australia	10,750	1.5
France	10,451	1.4
United States Of America	10,410	1.4
Denmark	7,361	1.0
Italy	7,269	1.0
China	7,212	1.0
Other sources	58,543	7.9
Total	**737,786**	**100.0**

Source: CSO, International Trade Statistics, 2006

Import Market Shares by Regional Groupings

The SADC grouping of countries accounted for 66.2 percent and 59.8 percent of Zambia's total imports in February and March 2006 respectively. Within SADC region, South Africa was the major source for Zambia's imports accounting for 85.5 percent in February and 81.5 percent in March 2006.

The European Union was the second largest source of Zambia's imports after SADC, accounting for 15.0 and 13.4 percent in February and March 2006 respectively. Within the EU, the dominant source was the United Kingdom with market shares of about 19.8 and 24.6 percent in the respective months. Other key markets were Sweden and Italy.

The Asian and COMESA markets were also important suppliers of Zambia's import products each accounting for 12.5 and 7.5 percent in February 2006 respectively and 20.8 and 7.5 percent in March 2006 respectively. Within the Asian market, United Arab Emirates dominated accounting for 29.3 and 66.3 percent in February and March 2006 respectively. The other consistent source was India accounting for 20.8 and 13.4 percent in February and March 2006 respectively.

In the COMESA region, Zimbabwe dominated in February with 50.9 percent followed by Kenya with 24.5 percent. In March 2006, Zimbabwe still maintained dominance as the main source of Zambia's imports with 62.2 percent followed by Kenya with 20.1 percent.

Import Market shares by major Regional groupings, February and March 2006

Grouping	February 2006		March 2006	
	Value	% Share	Value	% Share
SADC	400,218	100.0	441,197	100.0
SOUTH AFRICA	342,147	85.5	359,466	81.5
ZIMBABWE	22,995	5.7	34,250	7.8
TANZANIA	20,018	5.0	33,079	7.5
Other SADC	15,058	3.8	14,403	3.3
% of Total Imports	66.2		59.8	
EU	90,519	100.0	99,140	100.0
United Kingdom	17,882	19.8	24,406	24.6
SWEDEN	15,477	17.1	18,543	18.7
ITALY	14,722	16.3	11,246	11.3
Other EU	42,437	46.9	44,944	45.3
% of Total Imports	15.0		13.4	
ASIA	75,320	100.0	153,352	100.0
UAE	22,071	29.3	101,664	66.3
CHINA	15,718	20.9	20,482	13.4
INDIA	15,677	20.8	11,569	7.5
Other ASIA	21,854	29.0	19,637	12.8
% of Total Imports	12.5		20.8	
COMESA	45,163	100.0	55,077	100.0
ZIMBABWE	22,995	50.9	34,250	62.2
KENYA	11,079	24.5	11,085	20.1
DR CONGO	5,617	12.4	5,437	9.9
Other COMESA	5,472	12.1	4,306	7.8
% of Total Imports	7.5		7.5	

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

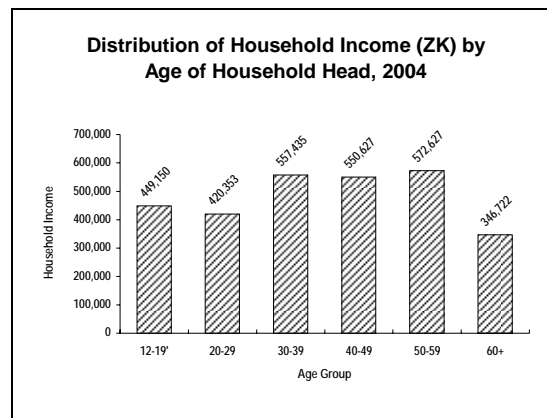**Note:** Some countries are members of both SADC and COMESA

Regional Trading Partners with Zambia

No.	COUNTRY	SADC	COMESA
1	Angola	✓	✓
2	Botswana	✗	
3	Burundi		✗
4	Comoros		✗
5	Congo (DRC)	✓	✓
6	Djibouti		✗
7	Egypt		✗
8	Eritrea		✗
9	Ethiopia		✗
10	Kenya		✗
11	Lesotho	✗	
12	Madagascar		✗
13	Malawi	✓	✓
14	Mauritius	✓	✓
15	Mozambique	✗	
16	Namibia	✓	✓
17	Rwanda		✗
18	Seychelles	✓	✓
19	South Africa	✗	
20	Sudan		✗
21	Swaziland	✗	
22	Tanzania	✗	
23	Uganda		✗
24	Zambia	✓	✓
25	Zimbabwe	✓	✓

Source: CSO, International Trade Statistics, 2006

Note: Those countries that have dual membership have a tick marked under both SADC and COMESA, while those belonging to either regional groupings have the mark of a cross.

Living Conditions

Women have low Monthly Incomes reveals the LCMS (IV)

The latest Living Conditions Monitoring Survey results of 2004 have indicated that Male-headed households have higher mean monthly incomes compared to female-headed households. The mean monthly income for a male-headed household is K535,790, while that for female-headed households is K382,314. Analysis by residence shows that, urban households had an average monthly income that was twice as much as that for rural households. The average monthly income for urban households was K760,629 while that of rural households was K334,308.

Percentage Distribution of Household Income by Sex and Rural/Urban, Zambia, 2004

Sex	Less than 50,000	50,000-150,000	150,001-300,000	300,001-450,000	450,001-600,000	600,001-800,000	800,001+	Total	Average income	Number of Households
All Zambia	7	20	24	14	9	8	18	100	502,030	2,110,640
Rural	10	27	28	14	8	5	8	100	334,308	1,288,064
Urban	2	9	18	15	11	12	34	100	760,629	822,575
Male	6	18	23	15	10	8	20	100	535,790	1,646,361
Female	10	26	25	13	7	6	12	100	382,314	464,279

Source: Living Conditions Monitoring Survey IV

Analysis by age of household head shows that the highest average monthly income was for those in the 50-59 years age group, at K572,627. The age group with the lowest average monthly income was that for persons aged above 60 years, with K346,722. On the other hand, two in every five households, (40 percent), with household heads aged from 30-59 years had mean monthly incomes exceeding K450,000; while only about one in every four households, (25 percent), with household heads in the age groups 12-19, 20-29 and 60+ had average monthly incomes exceeding K450,000.

Source: Living Conditions Monitoring Survey IV

There was a direct relationship between the level of education of household head and income. The results have revealed that households headed by those with degree holders earn six times higher than those headed by those who had never attended school at all. The average monthly income for degree holders is K1,374,260, compared to a average monthly income of K237,668 for those who have never attended school. On the other hand only 13 percent of those with no education earned more than K450,000 per month, on average, 89 percent of degree holders earned more than K450,000.
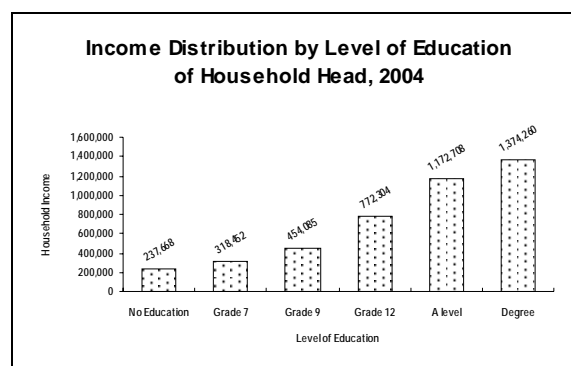
Source: Living Conditions Monitoring Survey IV

School Net Attendance on the Decline

According to the 2004 Living Conditions Monitoring Survey results, the net primary school attendance rate for Zambia has declined from 66 percent in 1998 to 57 percent in 2004. This means that currently only 57 percent of children aged 7-13 years are attending the appropriate primary school grades in Zambia. Similarly, at secondary school level the net attendance rate also declined from 23 percent in 1998 to 18 percent in 2004.

Rural/Urban comparisons show a similar trend, with rural areas recording a decline from 60 percent in 1998 to 51 percent in 2004. Urban areas also saw a decline of about 12 percentage points; from 77 percent in 1998 to 65 percent in 2004.

Analysis by sex shows that net attendance rate for females reduced from 66 percent in 1998 to 55 percent in 2004, while that of males reduced from 66 percent to 58 percent during the same reference period.

Net Attendance Rate by Grade and Place of Residence, 1998 and 2004

	1998			2004		
	1-7	8-12	Persons 7-18 yrs old Attending School	1-7	8-12	Persons 7-18 yrs old Attending School
Zambia	66	23	2,115,000	57	18	2,781,923
Rural	60	15	1,185,000	51	9	1,573,288
Urban	77	33	930,000	65	31	1,208,635
Sex						
Male	66	22	1,117,000	58	17	1,412,506
Female	66	25	998,000	55	19	1,369,417
Province						
Central	73	30	233,000	58	14	287,223
Copperbelt	74	31	427,000	65	31	482,277
Eastern	48	12	185,000	45	9	328,456
Luapula	60	20	133,000	50	8	197,528
Lusaka	73	30	339,000	65	25	402,098
Northen	59	19	244,000	53	15	344,086
North-western	63	25	118,000	59	19	173,265
Southern	72	22	293,000	56	19	352,839
Western	63	15	141,000	55	14	214,151

Source: Living Conditions Monitoring Surveys, II and IV

At provincial level, Copperbelt and Lusaka provinces have over the years recorded the highest net attendance rates. In 1998 the two provinces had net school attendance rates of over 70 percent (74 percent and 73 percent, respectively), while the 2004 rates reduced to 65 percent for each. At secondary school level of education, Copperbelt Province recorded the highest net attendance rate of 31 percent both in 1998 and 2004, followed by Lusaka Province with a net attendance rate of 30 percent in 1998 and 25 percent in 2004.

At all levels of education, Eastern Province has over the years recorded the lowest net attendance levels. In 1998 the Province had 48 percent and 12 percent for primary and secondary school level, respectively, while in 2004 the net attendance rates were 45 percent and 9 percent for primary and secondary school level, respectively.

Net Primary Attendance Rate by Province,1998 and 2004
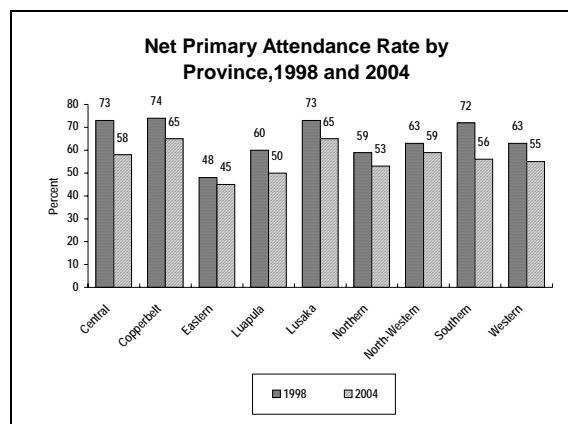
Source: Living Conditions Monitoring Surveys, II and IV

Expenditure on Non-Food Items high on the Copperbelt

According to the 2004 Living Conditions Monitoring Survey (IV) results, expenditure on Non-food items in Zambia accounted for 35 percent of total household expenditure. Of this share urban households recorded a much higher proportion of 47 percent compared to 21 percent for rural households. Among the non food items, clothing accounted for the largest expenditure share at 9 percent followed by household utilities and personal effects at 8 percent each.

At provincial level, Households on the Copperbelt Province recorded the largest expenditure proportion on non-food items with 47 percent followed by households in Lusaka Province with 46 percent. Among households with the least expenditure on the non-food items were households in Eastern Province at 22 percent closely followed by those in Western Province at 23 percent. Clothing had the highest proportion among households on the Copperbelt and in North-western provinces, each at 11 percent. For most of the households in the other provinces, including those in Lusaka Province, clothing had shares between 8 and 9 percent of total expenditures, while the lowest proportion was in Eastern Province at 6 percent.

Proportion of Expenditure Share to Non-Food Items by Province

|	Total non-food	Non-Food Items							H/holds
		Education	Clothing	Household utilities	Health	Personal Effects	Transport	Remittances	
All Zambia	35	3	9	8	1	8	4	1	2,096,832
Rural	21	2	7	2	1	5	3	1	1,278,660
Urban	47	4	10	13	1	11	6	2	818,172
Province									
Central	30	3	8	5	1	8	4	1	205,099
Copperbelt	47	4	11	12	2	11	6	1	309,932
Eastern	22	2	6	5	1	5	3	2	289,042
Luapula	26	2	9	5	1	5	3	1	170,854
Lusaka	46	4	9	12	1	11	6	1	308,410
Northern	26	2	9	4	1	5	3	1	273,347
North-western	31	3	11	6	1	7	4	12	125,604
Southern	33	4	9	6	1	7	4	2	250,830
Western	23	2	8	4	1	6	2	1	163,714

Source: Living Conditions Monitoring Survey IV

Households in the two most urbanized provinces, (Lusaka and Copperbelt provinces), attained the highest expenditure shares on household utilities with 12 percent each, while those in Northern and Western provinces attained the least share at 4 percent each. The other provinces that had households with low expenditure shares were Eastern, Luapula, and Central provinces with 5 percent each. Lusaka and Copperbelt provinces also dominated in terms of expenditure shares on personal effects with 11 percent each, transport (6 percent each) and education (4 percent each). The percentage shares on education were lowest in Luapula, Northern and Eastern provinces at 2 percent each. Households in Western Province registered the lowest percentage share on transport followed by those in Luapula, Northern and Eastern provinces at 3 percent each.

Demography

HIV Counseling and Testing increases in Antenatal Clinics!

The 2005 Zambia Sexual Behaviour Survey (ZSBS) revealed that nine out of ten women (92 percent) in urban areas attended antenatal clinic (ANC) and received counseling for HIV. This recorded an increase of 4 percentage points from 88 percent in 2003, while in rural areas, there was an increase of 16 percentage points of women who received counseling for HIV from 58 percent in 2003 to 74 percent in 2005.

A further trend analysis shows a large increase in exposure to counseling in rural areas from 41 percent in 2000 to 74 percent in 2005 whereas in urban areas, an increase was recorded from 64 percent in 2000 to 92 percent in 2005.
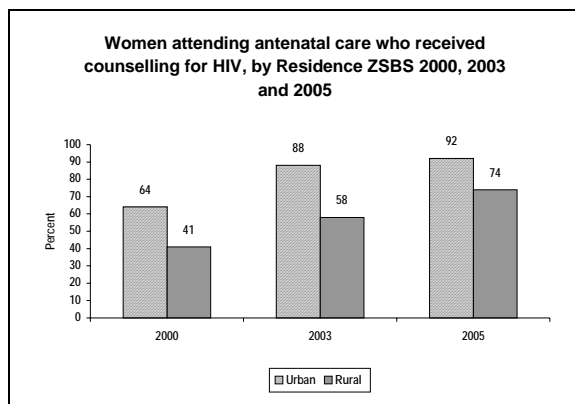
Source: Zambia Sexual Behaviour Survey, 2005

Furthermore, the 2005 survey revealed that 14.3 percent of women who were counselled during antenatal care (ANC) for their most recent pregnancy, accepted an offer of testing and received their test results. This represented an increase from 5.7 percent in 2003.

In urban areas, women who were counselled during antenatal care, tested and received their test results increased from 14.2 percent in 2003 to 35.6 percent in 2005, where as those in rural areas also increased from 1.8 percent in 2003 to 7.7 percent in 2005.
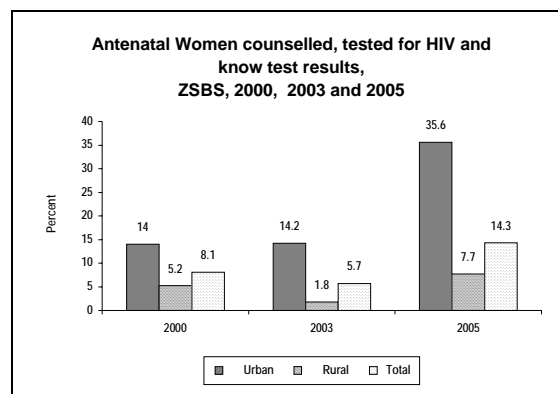
Source: Zambia Sexual Behaviour Survey, 2005

Adolescents delay sexual debut

Early sexual debut is considered a risk factor for HIV infection since early timing of first sex increases the chances of having many sexual partners during a lifetime.

The 2005 Zambia Sexual behaviour Survey (ZSBS) indicates that Median Age at First Sex among young people 15-24 years has increased from 16.5 years in 2003 to 18.5 years in 2005 for both males and females.

Median Age at First Sex, ZSBS 1998 - 2005

Sex	1998	2000	2003	2005
Total	16.5	16.5	16.5	18.5
Male	15.5	16.5	16.5	18.5
Female	16.5	16.5	16.5	18.5

Source: Zambia Sexual Behaviour Survey, 2005

Assessment of the extent of condom use at the time of first sex indicates that the percentage of adolescents (15-19 years) and young adults (20-24 years) who said they used a condom at first sex is higher compared to adults aged 25-49 years. The percentage of young people initiating sexual activity in the recent past and reporting condom use at first sex was four times as high (20.8 percent) as the

percentage for the older age group 25-49 years (4.9 percent).

Percent who used Condom at First Sexual Intercourse, ZSBS, 2005
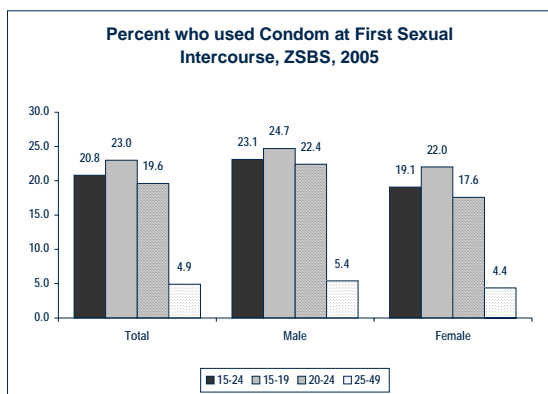
Source: *Zambia Sexual Behaviour Survey, 2005*

Information on multiple sexual partners is also critical because of its well-documented link with risk of HIV infection. Results from the 2005 ZSBS shows that the percentage of adolescents reporting having non-regular partners has declined. The percentage of adolescents 15-19 years reporting having one regular partner increased between 2000 and 2003 from 18.0 percent in 2000 to 19.3 percent in 2003 but has declined to 15.8 percent in 2005. Those reporting having 2-3 non-regular partners has been declining over the years, from 4.0 percent in 2000 to 2.6 percent in 2003, and then to 1.9 percent in 2005. However there was a slight increase in the percentage of adolescents reporting having had more than 4 non-regular partners from 0.1 percent in 2000 and 2003 to 0.9 percent in 2005.

Percentage of Respondents by Number of Non-Regular Partners in the Last Year among Adolescents 15-19 by Sex and Marital Status, ZSBS 1998 and 2005

Number of non-regular partners	2000	2003	2005
0	77.8	78.0	80.2
1	18.0	19.3	15.8
2-3	4.0	2.6	1.9
4+	0.1	0.1	0.9

Source: *Zambia Sexual Behaviour Survey, 2005*

Informal Sector

Men dominate the Informal Non - Agriculture Sector

The 2002/3 informal sector results indicate that among those employed in the informal sector, 23.5 percent were in informal non agricultural sector. The results also show that there were more males employed in the informal non agricultural sector than females. Of 23.5 percent (685,810) employed in the informal non agricultural sector 59.8 percent

(409,939) were males, while 40.2 (275,871) were females.

Comparisons between rural and urban areas show that persons living in the urban areas were more likely to be employed in the informal non-agricultural sector employment than those residing in the rural areas. Urban areas accounted for 62.8 percent of persons employed in the informal non agricultural sector compared to 37.2 percent in the rural areas.

Distribution of Employed Persons in the Informal Agricultural and Informal Non-Agricultural Sector by Sex and Rural/Urban, 2002/2003

Sex/ Residence	Total Informal Sector		Sector of Employment			
			Informal Agriculture		Informal Non-Agriculture	
	Number of persons	%	Number of persons	%	Number of persons	%
Zambia	2,921,330	100	2,235,520	76.5	685,810	23.5
Male	1,396,713	47.8	986,774	44.1	409,939	59.8
Female	1,524,617	52.2	1,248,746	55.9	275,871	40.2
Rural	2,387,579	81.7	2,132,666	95.4	254,913	37.2
Urban	533,751	18.3	102,854	4.6	430,897	62.8

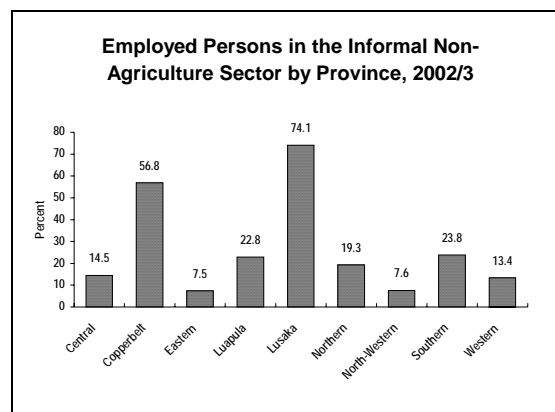**Source:** *Non-Farm Informal Sector Report, 2002/2003*

Analysis by head of household shows that from the estimated 407,561 household heads engaged in the informal non-agricultural sector employment, 79.1 percent were males while 20.9 percent were females.

Percentage Distribution by Sex of Head in the Informal Non-Agricultural Sector, 2002/2003

	Informal Non - Agriculture Sector			
	Male		Female	
	Number of persons	%	Number of persons	%
Zambia	409,939	59.8	275,871	40.2
Household Head	322,419	79.1	85,142	20.9

Source: *Non-Farm Informal Sector Report, 2002/2003*

At provincial level, Lusaka Province had the highest proportions of persons engaged in informal non-agricultural sector employment, accounting for 74 percent followed by Copperbelt Province with 56.8 percent. Eastern and North-western provinces recorded the lowest with 7.5 percent and 7.6 percent, respectively.

Employed Persons in the Informal Non-Agriculture Sector by Province, 2002/3

Source: *Non-Farm Informal Sector Report, 2002/2003*

Feature Article 1

Inflation misunderstood

What is Inflation?

Perhaps to try and understand the basics of inflation, one may start by asking the question, '**Is the Kwacha today buying more goods and services than it used to buy many years ago'?**

Obviously a Kwacha today doesn't buy as much as it did 40 years ago. The cost of almost everything has gone up. This general rise in prices of goods and services is called **Inflation** while a general decrease in the overall level of prices is called **deflation.** Therefore a reduction in inflation implies a reduced rise in prices. More technically, 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.

The Consumer Price Index (CPI)

The Consumer Price Index (CPI) is used to measure and monitor inflation. The CPI is an index that measures the rate at which the prices of consumption goods and services are changing from month to month (or from quarter to quarter). The Central Statistical Office, has the responsibility of computing the CPI. It begins by collecting the prices of goods and services from shops or other retail outlets. Just as Gross Domestic Product (GDP) turns the quantities of many goods and services into a single number measuring the value of production, the CPI turns the prices of many goods and services into a single index measuring the overall level of prices.

The question is how should statisticians aggregate the many prices in the economy into a single index that reliably measures the price level? Do they simply compute an average of all prices? Of course not. This approach would treat all goods and services equally. But what is wrong with that approach? -- Since people in Zambia consume more maize meal than spaghetti, the price of maize meal should have a greater weight in the Zambian CPI than the price of spaghetti. The Central Statistical Office weights different items by computing the price of a basket of goods and services purchased by a typical consumer. The CPI is the price of this basket of goods and services relative to the price of the same basket in some base year.

The usual method of calculation is to take an average of the period -to-period price changes for the different products and services, using as <u>weights</u> the average amounts that households spend on them.

For example, suppose that the typical consumer buys 2 by 25kg bags of roller meal and 3 by twenty litre tins of Mpulungu Kapeta every month. That is the basket consists of goods of 2 by 25kg bags of roller meal and 3 by twenty litre tins of Mpulungu Kapenta.

The CPI is:

CPI =   (2by 25kg roller meal x Current Price of 25kg roller meal) + (3by twenty litre tins Mpulungu Kapenta x Current Price of twenty litre tin of Mpulungu Kapenta)
_____
(2by 25kg roller meal x 1994 Price of 25kg roller meal) + (3by twenty litre tins Mpulungu Kapenta x 1994 Price of twenty litre tin Mpulungu Kapenta)

In this CPI, 1994 is the base year. The index tells us how much it costs now to buy 2 by 25kg bags of roller meal and 3 by twenty litre tins of Mpulungu Kapenta relative to how much it cost to buy the same basket in 1994. In real life the basket will consist of hundreds or even thousands goods and services.

It is quite clear that many of our readers out there have a general understanding of the meaning of the word inflation, but lack technical knowledge with regard to the inflation rate computations and interpretation.

Below, in points 1, 2, and 3, we give an exposition of how inflation rate and percentage points contributions of different items to overall inflation are derived using the first three months of this year.

Point No. 1: Annual food inflation was recorded at 10.2 percent as at February 2006, compared to 12.8 percent in January 2006. What this means is that food prices increased in February 2006, but at a decreasing rate of 10.2 percent relative to the rate of 12.8 percent as at January 2006.

Point No 2: The all items Consumer Price Index (CPI) is calculated as a weighted average of the main group indices (food and non-food). Therefore, the all items inflation rate represents an average of the food and non-food inflation rates. Refer to table 1.

Table 1: Twelve Month Inflation Rates- Food and beverages, and Non-food Items

Percent

Period	All items	Food and beverages	Non-food item
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

Point No. 3: Percentage points contributions of different items to overall inflation are summed up to total and <u>not averaged</u> as what others may seem to be doing. For instance, the food and beverages group accounted for 5.4 percentage points out of the total of 10.3 percentage points, while non- food items accounted for the remaining 4.9 percentage points. A check can be made that the percentage points contributed by each group do sum to the total of 10.3. Refer to table 2.

The exercise in table 2 clearly demonstrates the procedure showing how each main group has contributed to the annual inflation for February 2006 and March 2006.

Table 2 also shows the weighting system used for the different main groups in the all items CPI, together with the indices for the each group at four points in time: February 2005, February 2006, March 2005 and March 2006. When computing the main groups' contribution to overall inflation, <u>the main group indices and main group relative weights are taken into account.</u>

The first stage is to calculate the changes in the index over each period: for instance, in the first period (February 2005 to February 2006) the total composite index moved from 1151.6 to 1270.0, a rise of 118.4 points, while the index for food and beverage increased by 109.7 points (from 1072.5 to 1182.2), etc. We next calculate the contribution of each group to the total points increase (118.4 in the first period). The group 'food and beverages' contributed 62.6 points (calculated as 109.7 * 571/1000), where 109.7 is the index points change,

571 is the relative weight (or importance) for food and beverages main group and 1000 is the total weight for all the 8 main groups shown in table 2. 'Clothing and footwear' contributed 18.6 points (274.1 * 68/1000), and so on. A check can be made that the points contributed by each group do sum to the total of 118.4. Refer to table 2.

We then note that the change of 118.4 points between February 2005 and February 2006 represents a percentage increase of 10.3 percent (118.4 / 1151.6 * 100). This figure of 10.3 percent is the inflation rate as measured at February 2006. Next we calculate how much each group has contributed to this annual inflation rate (All items). The food and beverage group, for instance, has accounted for 5.4 percentage points out of the total of 10.3 percentage points. This is calculated as 62.6 / 1151.6 *100. A check can again be made that the individual group contributions do indeed sum to 10.3 percent. Refer to table 2.

We can then perform exactly the same calculations for the period March 2005 to March 2006.

The results of this whole exercise are shown in table 2. Not only may we note that annual inflation was 10.3 percent in February 2006, and that it rose to 10.7 percent in March 2006. We can also say a considerable amount about the cause of this rise. It is clear that it is accounted for by the rise in the inflation rate for the 'food and beverage' group. In place of the 5.4 percentage points contributed to overall inflation in February 2006, 'food and beverages' contributed 5.8 percentage points in March 2006.

A further breakdown of the percentage points for food and beverages could be done, and determine exactly which food items have contributed to the changes in the inflation rate. It is quite evident that there is nothing fictitious about the percentage points contributions of different items to overall inflation.

Table 2: Zambia CPI: Percentage Points Contribution of Different Items to All Items Inflation   February 2006 and March 2006

Main group	Total	Food & beverage	Clothing & footwear	Rent, fuel & lighting	Furniture & h/hold goods	Medical care	Transport & commun- ications	Recreation & education	Other goods & services
Weights	1000	571	68	85	82	8	96	49	41
Feb 2005	1151.6	1072.5	1263.5	1371.3	1348.7	1143.6	1113.5	1537.7	844.9
Feb 2006	1270.0	1182.2	1537.6	1583.7	1532.9	1264.0	1002.9	1732.8	942.9
Mar 2005	1156.1	1072.0	1275.6	1379.8	1367.1	1151.6	1117.9	1555.4	853.6
Mar 2006	1279.6	1189.3	1568.5	1616.5	1536.9	1284.4	999.3	1738.3	947.1
Changes (Feb2005-Feb 2006)									
Total points change	118.4	109.7	274.1	212.4	184.2	120.4	-110.6	195.1	98.0
Contribution to total	118.4	62.6	18.6	18.1	15.1	1.0	-10.6	9.6	4.0
Contribution to % change	10.3	5.4	1.6	1.6	1.3	0.1	-0.9	0.8	0.4
Changes (Mar2005-Mar 2006)									
Total points change	123.5	117.3	292.9	236.7	169.8	132.8	-118.6	182.9	93.5
Contribution to total	123.5	67.0	19.9	20.1	13.9	1.1	-11.4	9.0	3.8
Contribution to % change	10.7	5.8	1.7	1.7	1.2	0.1	-0.9	0.8	0.3

The contribution to overall inflation of food and beverages, and all other groups can be summarised as shown below:

Contributions to overall inflation in February 2006 and March 2006

	Rate of inflation	Percentage point contributions to overall inflation	
		Food and beverages	All other groups
February 2006	10.3 %	5.4 percentage points	4.9 percentage points
March 2006	10.7 %	5.8 percentage points	4.9 percentage points
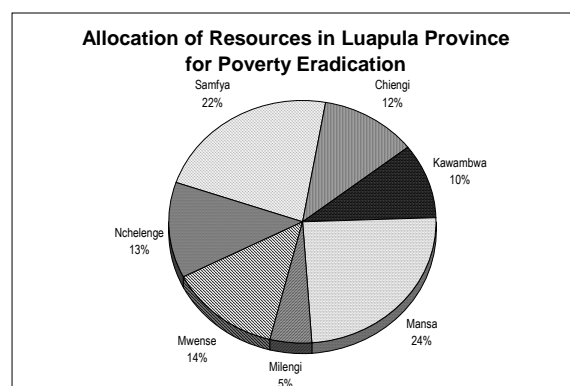
Allocation of Resources in Luapula Province for Poverty Eradication

Feature Article 2

77 percent of the population in Luapula Province lives below the poverty line!

The latest Living Conditions Monitoring Survey (IV) results of 2004 reveal that about 77 percent of the population in Luapula Province live below the poverty line and the province would require about K4.8 billion annually in order to eradicate its poverty.

The provincial population according to the 2004 LCMS (IV) was estimated at 867,491. The province has seven administrative districts, with Mansa District as its provincial headquarters. In order to eradicate poverty in the province, Mansa District would need a higher resource allocation of 24 percent followed by 22 percent to Samfya District and 14 percent to Mwense District. The least resource allocation of 5 percent would go to Milengi District despite it having the highest proportion of poor people. The reason being that, it has a small population.

Poverty level increases among household heads running a business

The incidence of poverty in Luapula Province by economic activity of household heads was highest among household heads engaged in farming, fishing and forestry at 80 percent, followed by those running a business at 72 percent in the year 2004. The least incidence of total poverty was recorded among the households whose heads were in wage employment at 53 percent in the same year.

A trend analysis shows that there has been a 17 percentage point sharp increase in the poverty level among households whose heads were engaged in running a business, from 55 percent in 1998 to 72 percent in 2004.

However, the total poverty level for household heads engaged in farming, fishing and forestry has decreased by 7 percentage points from 87 percent in 1998 to 80 percent in 2004. For those household heads engaged in wage employment, the total poverty level has also reduced from 70 percent in 1998 to 53 percent in 2004.

Poverty and Economic Activity, Luapula Province, 1998 and 2004

Economic Activity	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	81	77	69	62	13	15	19	23	695,000	867,491
In wage employment	70	53	43	33	27	20	30	47	86,505	72,075
Running a business	55	72	42	52	13	21	45	28	65,027	93,711
Farming, fishing, forestry	87	80	76	65	10	14	13	21	489,824	685,538
Other	86	68	78	66	8	2	14	32	53,645	16,167

Education, Key to low Levels of Poverty

It is so obvious to note that the more educated the head of household is, the less the incidence of poverty. Therefore, household heads with tertiary education were more likely to be non-poor than those with no education.

In 1998, the incidence of poverty was 91 percent for household heads with no education as compared to 67 percent for those that had attained tertiary education; while in 2004, the incidence of poverty was 86 percent for household heads with no education, as compared to 47 percent of those household heads that had attained tertiary education.

However, the situation was different in the moderately poverty level of household heads with no education and those with tertiary education. Moderately poverty level for household heads that had attained tertiary education was high at 19 percent in 2004 as compared to those with no education at 16 percent in the same year. Similarly, in 1998 moderately poverty level was reported to be high among household heads that had attained tertiary education with 23 percent, as compared to those with no education at 9 percent.

Poverty by Education of Household Head, Luapula Province, 1998 and 2004

| Educational Level | Poverty Status (%) | | | | | | | | Population | |
| | Total Poor | | Extremely Poor | | Moderately Poor | | Not Poor | | | |
	1998	2004	1998	2004	1998	2004	1998	2004	1998	2004
All Province	81	77	69	62	13	15	19	23	695,000	867,491
Education of head										
None	91	86	82	70	9	16	9	14	105,230	109,008
Primary school	85	78	77	64	8	14	15	22	371,488	465,559
Secondary	72	74	50	59	22	15	28	26	178,503	267,828
Tertiary	67	47	44	29	23	19	33	53	39,780	25,097

More Male-headed Households in Poverty

An analysis by sex of head of household shows that the proportion of total poor persons in 2004 was high among male-headed households at 77 percent than in female-headed households at 72 percent. The incidence of extreme poverty among the male-headed households was slightly higher at 63 percent

in 2004 than female-headed households at 56 percent in the same year, whereas the incidence of moderate poverty was higher among the female-headed households at 16 percent than male-headed households at 14 percent in the same period.

Poverty by Sex of Head, Luapula Province, 1998 and 2004

Sex	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	81	77	69	62	13	15	19	23	695,000	867,491
Sex of head										
Male	81	77	68	63	13	14	19	22	541,836	706,137
Female	82	72	73	56	9	16	18	28	153,164	161,354

All household heads aged 12-19 years are poor in Luapula Province

A trend analysis shows that the incidence of poverty by age of household head declined from 1998 to 2004 for all age groups except for the households whose heads were aged 12-19 years.

It was recorded that all household heads aged between 12-19 years were poor in the year 2004. This was followed by household heads aged 60 years and above, at 79 percent.

In 1998, the 12-19 years age category had the least proportion of the total poor persons at 62 percent compared to the rest of the age categories. However, there has been a 38 percentage point sharp increase in poverty level for households whose heads were aged 12-19 years from 62 percent in 1998 to 100 percent in 2004. This makes this age category to have the highest proportion of the total poor persons than the other age categories in the year 2004.

Poverty Status and Age of Household Head, Luapula Province, 1998 and 2004

Age of Head	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	81	77	69	62	13	15	19	23	695,000	867,491
12 – 19	62	100	47	32	15	68	38	0	954	687
20 - 29	78	73	60	55	18	18	22	27	112,228	115,922
50 – 59	80	77	67	63	13	14	20	23	482,015	632,242
60 +	91	79	88	65	3	15	9	21	99,803	118,640

88 percent of the population in Milengi District live in Total Poverty

At district level, the poverty results indicate that Milengi District had the highest proportion of total poor persons at 88 percent followed by Chiengi District at 83 percent. Kawambwa District on the other hand reported the least proportion of total poor persons with 68 percent.
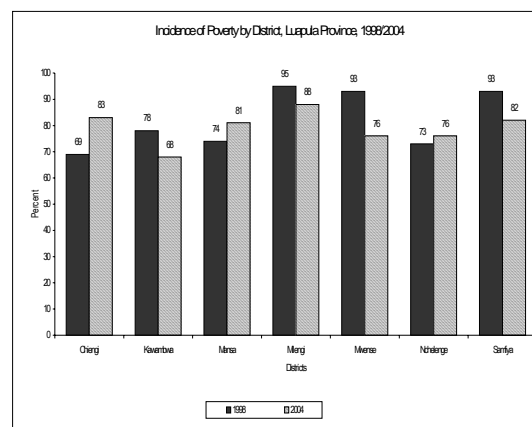
Incidence of Poverty in Luapula Province, 1998 and 2004

District	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	81	77	69	62	13	15	19	23	695,000	867,491
Chiengi	69	83	48	72	21	11	31	17	58,613	94,047
Kawambwa	78	68	63	49	15	19	22	32	101,023	111,011
Mansa	74	81	62	66	12	16	26	19	169,930	205,754
Milengi	95	88	79	76	16	12	5	12	25,587	30,966
Mwense	93	76	80	66	13	10	7	24	100,789	119,581
Nchelenge	73	76	63	59	9	17	27	24	87,810	124,353
Samfya	93	82	83	67	10	16	7	18	151,248	181,780

However, there has been a reduction between the years 1998 and 2004 in the proportion of total poor persons in at least four districts. In Mwense District, the proportion of the total poor persons has decreased from 93 percent in 1998 to 76 percent in 2004. Samfya District has shown a decrease of 11 percentage points in poverty levels, from 93 percent in 1998 to 82 percent in 2004. Kawambwa District poverty levels has decreased from 78 percent in 1998 to 68 percent in 2004 and Milengi District has decreased from 95 percent in 1998 to 88 percent in 2004.

On the other hand, there was an increase in the proportion of poor persons between the years 1998 and 2004 in Chiengi and Mansa districts from 69 and 74 percent in 1998 to 83 and 81 percent in 2004, respectively.

It was however observed that all districts, except Kawambwa District had poverty levels well above the national average of 68 percent. (See Map).

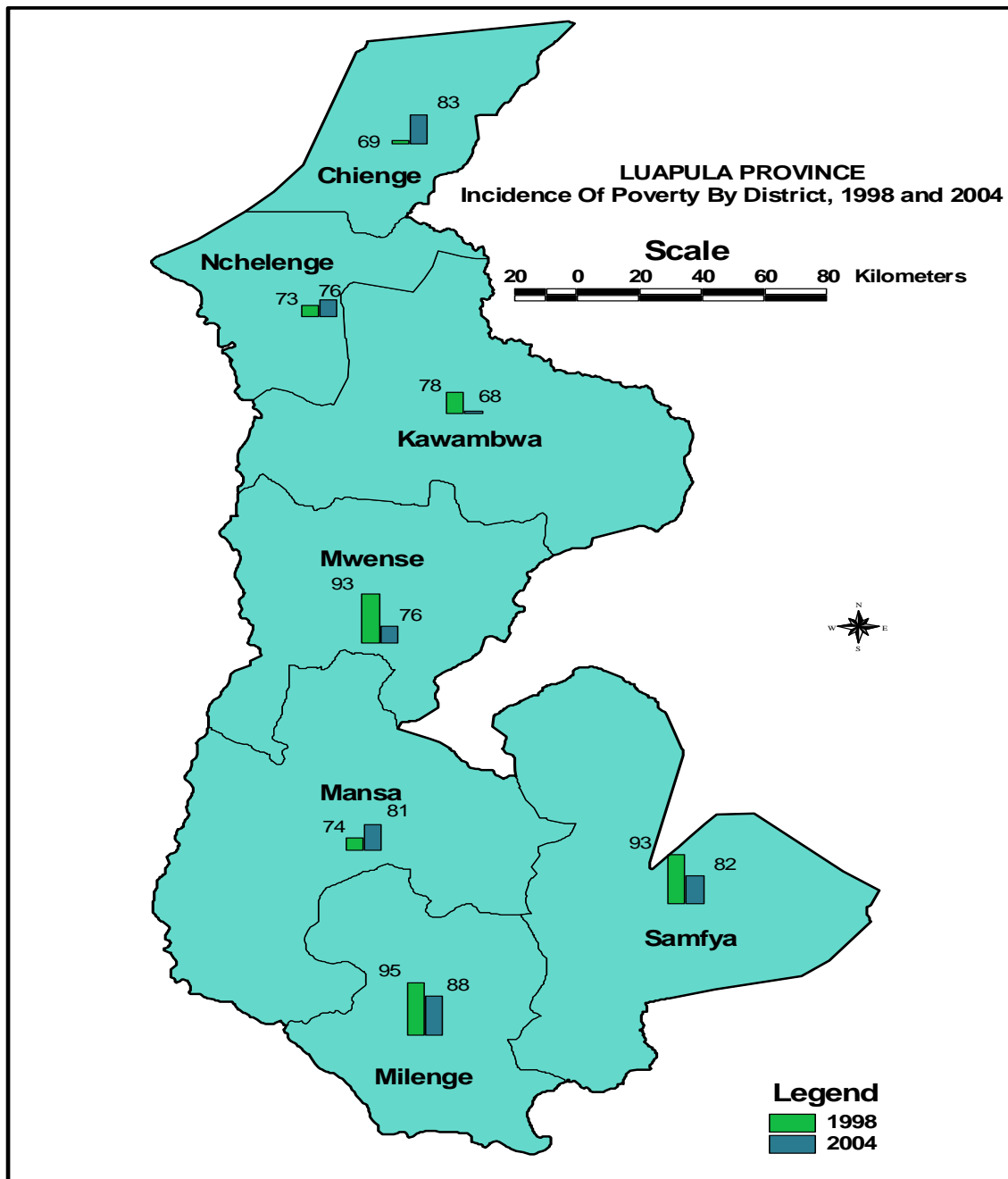Incidence of Poverty by District, Luapula Province, 1998/2004

In conclusion, a trend analysis of the total poverty level in Luapula Province shows that the incidence of poverty has reduced overtime. In 1998, the total poverty level has reduced from 81 percent to 77 percent in the year 2004. The Extreme poverty level also reduced from 69 percent in 1998 to 62 percent in 2004. The proportion of the non-poor persons increased from 19 percent in 1998 to 23 percent in 2004. All the districts except Kawambwa District had poverty levels well above the national average of 68 percent.

The Layman and Statistics

Net Attendance Rate: Refers to the percentage of persons who attend grades corresponding to their ages.

Median Age: Refers to the age for a specific population that divides the population into 2 equal parts.

Adolescence: Refers to the period of physical and psychological development from the onset of puberty.

LUAPULA PROVINCE
Incidence Of Poverty By District, 1998 and 2004

Chienge: 69, 83
Nchelenge: 73, 76
Kawambwa: 78, 68
Mwense: 93, 76
Mansa: 74, 81
Samfya: 93, 82
Milenge: 95, 88

Scale
20 0 20 40 60 80 Kilometers

Legend
1998
2004

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