



Republic of Zambia

# The Monthly

## Central Statistical Office

Volume 17

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August, 2004

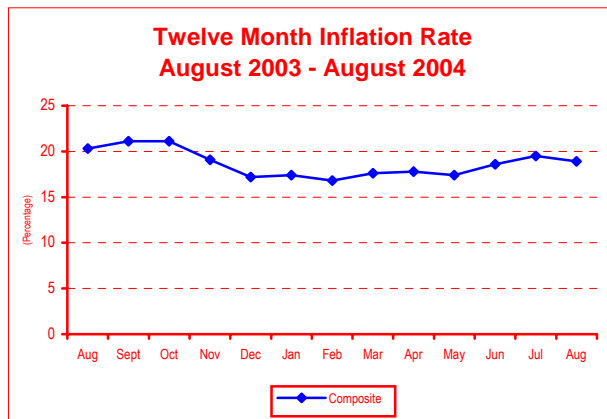
### Economic Indicators

#### August Inflation drops despite the threatening of Fuel Prices

The annual rate of inflation was recorded at 18.9 percent as at August 2004. This rate is 0.6 of a percentage point lower than the July rate of 19.5%. Compared with August 2003, the annual rate of inflation declined by 1.4 percentage points, from 20.3% in August 2003 to 18.9% in August 2004.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups are recorded at 17.5%, 18.9% and 19.7%, respectively.

Between July and August 2004, the Consumer Price Index increased by 1.0%.



Source: CSO, Consumer Price Index, August 2004

#### Contributions of different Groups to overall inflation

The annual inflation rate for August 2004 is 0.6 of a percentage point lower than the July rate of 19.5%. This drop of 0.6 of a percentage point is accounted for by food, beverages and tobacco. There were no significant shifts in the contribution of other groups to the decrease in inflation between July and August 2004.

Further more, of the total 18.9% annual inflation in August 2004, increases in food prices accounted for 9.8 percentage points while non-food items in the CPI accounted for 9.1 percentage points.

| Group                         | Percentage Points Contributions of different Groups to overall inflation |        |
|-------------------------------|--|--------|
|                               | July   | August |
| Food Beverages and Tobacco    | 10.4   | 9.8    |
| Clothing and Footwear         | 2.1  | 2.0    |
| Rent, Fuel and Lighting       | 1.7  | 1.4    |
| Furniture and Household Goods | 2.5  | 2.5    |
| Medical Care                  | 0.2  | 0.2    |
| Transport and Communication   | 0.8  | 1.1    |
| Recreation and Education      | 1.3  | 1.3    |
| Other Goods and Services      | 0.5  | 0.6    |
| All Items                     | 19.5   | 18.9   |

Source: CSO, Consumer Price Index, August 2004

#### Your Monthly Food Basket

The food basket as at August 2004 was K575,206 for a family of six. The same family on average was expected to live on K825,988 for all their food and basic needs.

## Lower Maize Meal Prices Influence August Inflation

Annual food inflation was recorded at 18.7% declining by 1.2 percentage points on the July rate of 19.9%. From July to August 2004, the index for food increased by 0.9 percent.

Relatively lower prices were recorded for maize meal, fresh meat, fresh vegetables, dried beans, fresh fish, dressed chicken, sweet potatoes, irish potatoes, millet and cassava meal. Price increases were however recorded for roller meal, maize grain, dried Kapenta, other cereals and cereal products, milk and milk products, fresh fruits, raw cassava tubers, eggs, cooking oil and other processed food items.

Annual non-food inflation rate stood at 19.2%, increasing by 0.2 of a percentage point on the July rate of 19.0%. Between July and August 2004, the Non-Food index increased by 1.1%. Non-food inflation was mainly due to increases in the cost of fuel, household energy (paraffin), house rent, furniture and household appliances, leisure goods (video recorders), clothing and footwear.

## Maize Grain Prices Continue to Rise

A comparison of prices between July and August 2004, shows that the average price of a 25 kg bag of Breakfast meal dropped by 0.7 percent, from K32,342 in July to K32,114 in August 2004. The average price of a 25kg bag of Roller Meal almost remained unchanged at K24,281 in August compared with K24,249 recorded in July 2004. The average price of 1kg of tomatoes decreased by 14.4%, while the price of 1kg of dressed chicken went down by 2.8%. However, the price of Maize Grain measured in a 20-litre tin increased by 8.1%.

National Average Prices for Selected Products

| Product                | July   | August | Percentage change(%) |
|------------------------|--------|--------|----------------------|
| White breakfast 25kg   | 32,342 | 32,114 | -0.7                 |
| White roller 25kg      | 24,249 | 24,249 | 0.1                  |
| White maize 20 ltr tin | 10,271 | 11,099 | 8.1                  |
| Charcoal 50 kg         | 13,850 | 13,405 | -3.2                 |
| Tomatoes 1 kg          | 2,465  | 2,111  | -14.4                |
| Rape 1kg               | 1,234  | 1,136  | -7.9                 |
| Dressed Chicken 1kg    | 12,972 | 12,614 | -2.8                 |
| Dried Beans 1kg        | 4,424  | 4,336  | -2.0                 |
| Petrol 1ltr            | 4,601  | 4,825  | 4.9                  |
| Diesel 1ltr            | 3,981  | 4,027  | 1.2                  |
| Paraffin 1ltr          | 2,962  | 3,140  | 6.0                  |

## International Merchandize Trade

### Exports Record an increase in July

The total value of exports in July 2004 was K776, 847 million as compared to K571, 771 million in June 2004. This is equivalent to about 36% increase in the total value of export revenue. On the other hand, imports showed a marginal decrease in total value, recording K983,451 million in June as compared to K933,225 million in July. **The huge export values and low import values have led to a large drop in the trade deficit from K411,680 million in June to K156,378 million in July 2004.** This indicates an improvement in trade in July over the month of June.

Total Exports, Imports & Trade Balance, January to June 2004, (K' Millions)

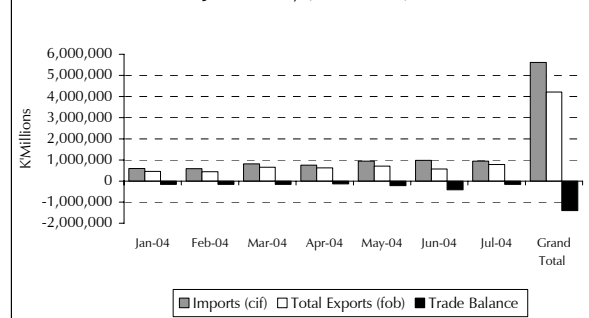
| Period         | Imports (cif)* | Domestic Exports (fob)* | Re-Exports (fob)* | Total Exports (fob)* | Trade Balance |
|----------------|----------------|-------------------------|-------------------|----------------------|---------------|
| January        | 600,902        | 444,799                 | 2,160             | 446,959              | -153,943      |
| February       | 587,700        | 431,473                 | 1,282             | 432,755              | -154,945      |
| March          | 814,284        | 637,604                 | 9,948             | 647,552              | -166,732      |
| Sub - Total Q1 | 2,002,886      | 1,513,876               | 13,390            | 1,527,266            | -475,620      |
| April          | 757,199        | 608,389                 | 11,906            | 620,295              | -136,904      |
| May            | 932,676        | 709,643                 | 6,093             | 715,736              | -216,940      |
| June           | 983,451        | 568,719                 | 3,052             | 571,771              | -411,680      |
| Sub - Total Q2 | 2,673,326      | 1,886,751               | 21,051            | 1,907,802            | -765,524      |
| July**         | 933,225        | 769,747                 | 7,100             | 776,847              | -156,378      |
| Grand Total    | 5,609,437      | 4,170,374               | 41,542            | 4,211,916            | -1,397,521    |

Note: (\*\*) Provisional  
(cif)\* Cost, Insurance and Freight  
(fob)\* Free on Board

Source: CSO, International Trade Statistics, 2004

Domestic exports increased to K769,747 million in July from K568,719 million in June 2004. The share of Domestic exports in total exports was 99 percent in both June and in July 2004; with re-exports accounting for the remaining share (1%).

Total Exports, Imports & Trade Balance, January to June 2004, (K' Millions)



Source: CSO, International Trade Statistics, 2004

## Total Exports (fob) by (SITC)\* sections, January – July 2004,

K' Millions

| SITC  | Product   | Jan     | Feb     | Mar     | Apr     | May     | Jun     | Jul**   |
|-------|---|---------|---------|---------|---------|---------|---------|---------|
| 0     | Food & Live Animals                               | 28,201  | 52,423  | 50,712  | 69,987  | 53,899  | 43,368  | 43,340  |
| 1     | Beverages & Tobacco                               | 10,589  | 20,131  | 3,705   | 23,564  | 33,175  | 31,382  | 57,386  |
| 2     | Crude Materials, (Exc. Fuels)                     | 23,218  | 31,733  | 55,938  | 40,340  | 206,591 | 54,935  | 153,734 |
| 3     | Mineral Fuels, Lubricants & Related Materials     | 6,363   | 9,791   | 10,596  | 12,875  | 13,975  | 12,764  | 13,857  |
| 4     | Animal & Vegetable Oils, Fats & Waxes             | 309     | 428     | 236     | 206     | 376     | 135     | 122     |
| 5     | Chemicals   | 3,146   | 10,851  | 61,225  | 3,410   | 4,560   | 4,937   | 79,806  |
| 6     | Manufactured Goods Classified Chiefly By Material | 371,263 | 301,946 | 449,672 | 437,563 | 385,438 | 408,098 | 408,941 |
| 7     | Machinery & Transport Equipment                   | 2,283   | 3,074   | 3,310   | 11,455  | 8,394   | 4,965   | 11,299  |
| 8     | Miscellaneous Manufactured Articles               | 1,453   | 2,318   | 11,619  | 20,787  | 9,328   | 9,123   | 8,057   |
| 9     | Commodities & Transactions Nec In Sitc            | 134     | 60      | 539     | 108     | 0       | 2,064   | 305     |
| Total |   | 446,959 | 432,755 | 647,552 | 620,295 | 715,736 | 571,771 | 776,847 |

Note: (\*\*) Provisional

(SITC)\* Standard International Trade Classification

Source: CSO, International Trade Statistics, 2004

The high inflow of revenue from exports between June and July could be attributed mainly to the increase in export values of cobalt crude materials (cobalt and its articles, precious stones), chemicals (ammonium nitrate, sulphur), beverages and tobacco, and other commodities. The products accounted for about K118,982 million in June and K250,078 million in July; representing over 100 percent increase. The share of these products to July exports was about 32%; whereas in June they accounted for about 21%.

## Total Imports (cif) by (SITC)\* sections, January – July 2004,

K' Millions

| SITC  | Product   | Jan     | Feb     | Mar     | Apr     | May     | Jun     | Jul**   |
|-------|---|---------|---------|---------|---------|---------|---------|---------|
| 0     | Food & Live Animals                               | 32,585  | 41,848  | 49,925  | 39,980  | 26,581  | 47,398  | 25,860  |
| 1     | Beverages & Tobacco                               | 789     | 682     | 839     | 1,038   | 1,262   | 666     | 997     |
| 2     | Crude Materials, (Exc. Fuels)                     | 32,331  | 27,159  | 29,123  | 21,442  | 22,357  | 23,056  | 20,653  |
| 3     | Mineral Fuels, Lubricants & Related Materials     | 114,159 | 62,148  | 108,675 | 76,230  | 99,055  | 117,921 | 88,685  |
| 4     | Animal & Vegetable Oils, Fats & Waxes             | 12,573  | 19,515  | 15,245  | 12,467  | 12,892  | 13,916  | 15,795  |
| 5     | Chemicals   | 101,857 | 112,950 | 99,929  | 84,776  | 131,898 | 165,934 | 172,803 |
| 6     | Manufactured Goods Classified Chiefly By Material | 98,169  | 95,045  | 118,099 | 101,282 | 134,765 | 149,823 | 124,869 |
| 7     | Machinery & Transport Equipment                   | 162,570 | 195,987 | 262,027 | 238,259 | 308,708 | 295,248 | 307,205 |
| 8     | Miscellaneous Manufactured Articles               | 45,864  | 32,365  | 130,370 | 181,724 | 195,144 | 169,481 | 176,358 |
| 9     | Commodities & Transactions Nec In Sitc            | 5       | 0       | 52      | 0       | 14      | 8       | 0       |
| Total |   | 600,902 | 587,699 | 814,284 | 757,198 | 932,676 | 983,451 | 933,225 |

Note: (\*\*) Provisional

(SITC)\* Standard International Trade Classification

Source: CSO, International Trade Statistics, 2004

The decrease in July imports values from those of June was mainly due to significant drops in expenditure on food and live animals (K47,398 million to K25,860 million), crude materials excluding fuels (K23,056 million to K20,653 million), Mineral fuels and lubricants (K117,921 million to K88,685 million) and manufactured goods classified by material (K149,823 million to K124,869 million).

During the period January to July 2004, South Africa was the major destination for Zambia's exports, accounting for 22% of total exports. Major exports to South Africa include copper articles, cotton, other base metals, oil seeds and oleaginous fruits, ores and ash. The second was United Kingdom with 18% of total exports. Exports to the United Kingdom include copper and copper articles, edible vegetables, **roots and tubers**, pictures, cotton, ores and slag, diary products, coffee, tea and spices. Other destinations include Switzerland (15%), Congo (DRC) (8%), Tanzania (7%) and Zimbabwe (4%). Malawi accounts for 3% of Zambia's exports.

The major source of Zambia's imports is South Africa with 45% of total imports. Zambia's imports from this country include Nuclear reactors, boilers, machinery & mechanical appliances, Vehicles, Electrical machinery, equipment & parts, Plastics & plastic products, Articles of iron or steel. From United Kingdom, Zambia imports mainly books, nuclear reactors, boilers, machinery & mechanical appliances, Electrical machinery, equipment & parts (2%). Other sources of imports include United Arab Emirates, Zimbabwe and France.

## Public Finance

### Government Revenue and Expenditure Highlights

The table below shows the Central Government cash flow statement, for the years 1999-2003. Central government had a surplus of K177.1 billion in 1999, however in 2000 government was in deficit by K469.7 billion. In 2001, the government was in surplus of K174.6 and was in deficit by K68.9 billion in 2002.

#### Central Government-Statement of sources and uses of cash-1999-2004 (K' billion)

| Sources and Uses of cash                                     | 1999    | 2000    | 2001    | 2002    | 2003Est.* |
|--|---------|---------|---------|---------|-----------|
| 1. Revenue   | 1,248.5 | 1,268.9 | 2,590.4 | 2,902.9 | 5,742.8   |
| • Tax revenue  | 1,201.7 | 1,189.9 | 2,445.5 | 2,848.2 | 3,443.4   |
| • Other revenue  | 46.8    | 78.9    | 144.9   | 54.7    | 2,295.4   |
| Tax revenue as % of total revenue                            | 96.3    | 93.8    | 94.4    | 98.1    | 60.0      |
| 2. Expense   | 985.3   | 1,630.3 | 2,204.0 | 2,545.0 | 5,046.7   |
| • Compensation of employees                                  | 435.1   | 536.7   | 811.2   | 1,135.1 | 1,654.0   |
| • Other expense-Current                                      | 509.3   | 998.6   | 1,193.2 | 1,377.0 | 2,222.1   |
| • Other expense-Capital                                      | 40.9    | 95.1    | 199.7   | 33.0    | 1,170.7   |
| Compensation of employees as % of total expense              | 42.2    | 32.9    | 36.8    | 44.6    | 32.8      |
| 3. Net cash inflow from operating activities (1-2)           | 263.2   | -361.5  | 386.3   | 357.9   | 695.8     |
| 4. Net cash outflow from investments in non-financial assets | 86.1    | 108.2   | 211.7   | 426.8   | 1,448.0   |
| • Purchases of non-financial assets                          | 86.2    | 108.3   | 211.9   | 427.2   | 1,448.1   |
| • Sales of non-financial assets                              | 0.0     | 0.1     | 0.1     | 0.5     | 0.1       |
| 5. Cash surplus/deficit (3-4)                                | 177.1   | -469.7  | 174.6   | -68.9   | -752.2    |

Note (\*) Est.-Estimates

Central government revenue rose from K1,248.5 billion in 1999 to K2,902.9 billion in 2002, representing an increase of 133%. Out of the K1,248.5 billion collected in 1999, about 96% (K1,201.7 billion) was collected through taxation. The contribution of tax revenue towards total revenue is almost similar in subsequent years. However, it was estimated at 60% in the years 2003.

Central government expense was K985.3 billion in 1999. It rose to K1,630.3 billion in 2001 and further to K2,545 billion in 2002.

Government spent K86.2 billion on non-financial assets such as buildings, roads, equipment and other non-financial assets in 1999. The amount increased to K427.2 billion in 2002 and it is estimated that government will spend K2,216.3 billion on non-financial assets in 2004.

Percentage change of Central Government Revenue and Expense, 1999-2004

|                                | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003Est. |
|--------------------------------|-----------|-----------|-----------|---------------|
| Revenue.....                   | 1.6       | 104.1     | 12.1      | 97.8          |
| Tax revenue.....               | -1.0      | 105.5     | 16.5      | 20.9          |
| Expense.....                   | 65.5      | 35.2      | 15.5      | 98.3          |
| Compensation of employees..... | 23.4      | 51.1      | 39.9      | 45.7          |

Central government revenue increased by only 1.6% in 2000. This is due to a decrease in tax revenue collection, which declined by 1%. However, collection of tax revenue improved in 2001 with an increase of 105.5%. This resulted in the increase of government revenue by 104.1%. In 2002 revenue increased by 12.1%. It is estimated that revenue will increase by 9.8% by the end of this year as compared to revenue estimated to have been generated in 2003.

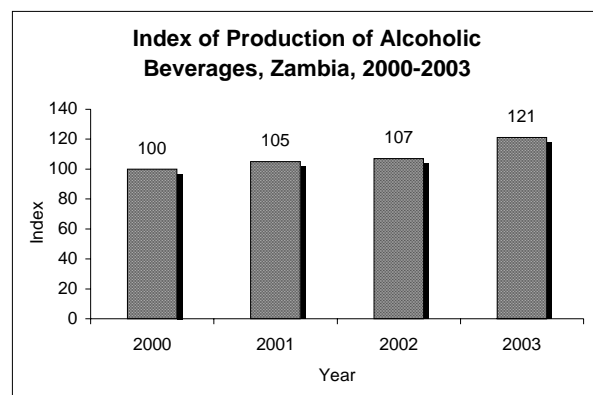
As regards to central government expense, there was an increase by 65.5% in 2000. In 2001 expense increased by 35.2% and it is estimated to increase by 13.5% in 2004. Compensation of employees, which is part of expense changed by 23.4% from 1999-2000 and increased further by 51.1% in 2001.

## Industrial Production

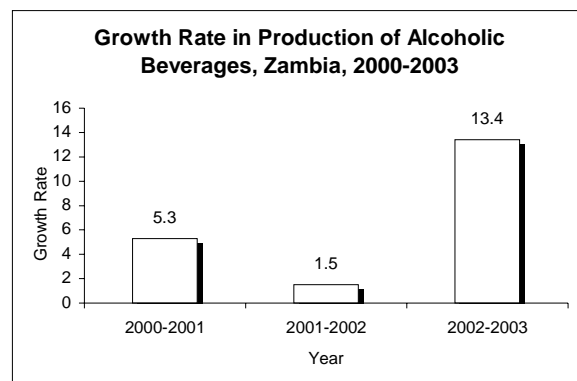
### Alcoholic Beverages Production on the Increase

A survey on the production of alcoholic beverages in Zambia has revealed that the industry has continued to grow rather steadily over the past four years and is currently at its highest since 2000. In an economy such as Zambia's, where production is largely determined by market forces, this may be an indication that with every successive year, Zambians are consuming more and more alcoholic beverages.

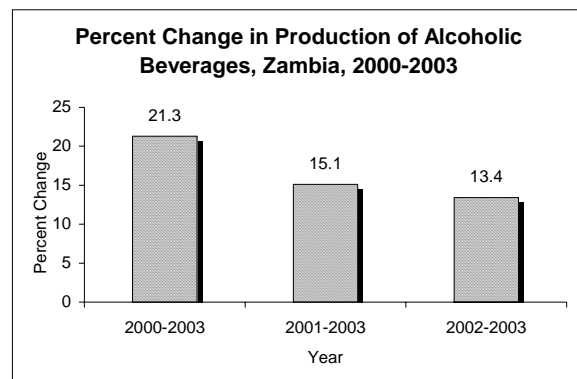
In comparison to 2000, production in 2001 increased by 5%, while that in 2002 increased by 7% and further by 21% in 2003.



The rate of growth in production was at 5.3% between 2000 and 2001. Between 2001 and 2002, production increased by 1.5% and then significantly increased to 13.5% between 2002 and 2003. This growth rate (13.5%) was more than twice as fast as between 2000 and 2001, and close to ten times faster than that between 2001 and 2002. This increase in production would imply that consumption of alcohol is rapidly expanding.



According to the graph below, production in 2003 was 21% higher than in 2000 and 15% higher than in 2001.



Establishments in this sector comprise those involved in distilling, rectifying and blending spirits as well as producers of wines, malt liquors and malt. Throughout the period under discussion, a considerable proportion of the growth in the sector came from brewing of Opaque beers. This could be because opaque bulk beer has increasingly become popular over the years, as it may be more affordable and easily accessible to the masses compared to other varieties.

## Agriculture

### Preliminary Crop Forecast Survey Results record another Bumper Harvest

Preliminary figures indicate another bumper harvest of maize recorded this agricultural season. Maize production for the 2003/2004 agricultural season has increased by 4.3%, from 1,157,860 metric tonnes in the 2002/2003 agricultural season to 1,207,075 metric tonnes in the current season. This is according to the preliminary results of 2003/2004 Crop Forecast Survey conducted by the Central Statistical Office (CSO) and the Ministry of Agriculture and Cooperatives (MACO).

Maize Production (Metric Tonnes), 2001, 2002, 2003 and 2004  
Agricultural Seasons

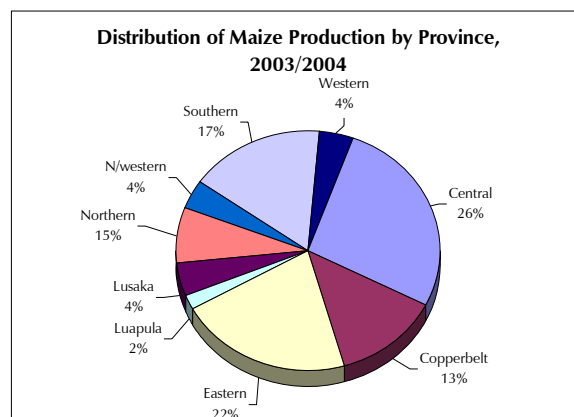
| Province      | 2001    | 2002    | 2003      | 2004*     | % Change (2004/2003) |
|---------------|---------|---------|-----------|-----------|----------------------|
| Central       | 162,272 | 130,655 | 342,856   | 326,185   | (4.9)                |
| Copperbelt    | 68,080  | 64,300  | 144,458   | 156,518   | 8.3                  |
| Eastern       | 196,317 | 202,385 | 201,521   | 259,639   | 28.8                 |
| Luapula       | 14,998  | 15,714  | 14,860    | 20,664    | 39.1                 |
| Lusaka        | 58,127  | 48,355  | 177,865   | 53,567    | (70.0)               |
| Northern      | 43,496  | 38,022  | 79,881    | 91,405    | 14.5                 |
| North Western | 19,196  | 19,558  | 33,114    | 47,789    | 44.3                 |
| Southern      | 211,281 | 63,093  | 127,277   | 202,566   | 59.2                 |
| Western       | 28,120  | 19,525  | 36,028    | 48,742    | 35.3                 |
| Total         | 801,887 | 601,607 | 1,157,860 | 1,207,075 | 4.3                  |

(\* Preliminary  
Source: 2003/2004 Crop Forecast Survey

Preliminary survey results also show that Central Province still leads in maize production despite registering a reduction of 4.9% from that recorded in the 2002/2003 agricultural season. The province is expected to harvest about 326,185 metric tonnes of maize this season compared to 342,856 metric tonnes recorded in 2002/2003 Agricultural Season.

Other provinces that have contributed greatly to this year's maize bumper harvest include Eastern, Southern, Northern and Copperbelt provinces which recorded growth rates of 28.8%, 59.2%, 14.4% and 8.3% respectively over the 2002/2003 Agricultural Season. Maize production for Eastern and Southern provinces has been recorded at 259,639 and 202,566 metric tonnes, respectively. Copperbelt and Northern

provinces are expected to harvest maize yields of 156,518 and 91,446 metric tonnes, respectively, this agricultural season. The increase in maize production may be attributed to the favourable weather conditions that prevailed during the season and partly to the continued government support in providing agricultural inputs.



Source: 2003/2004 Crop Forecast Survey

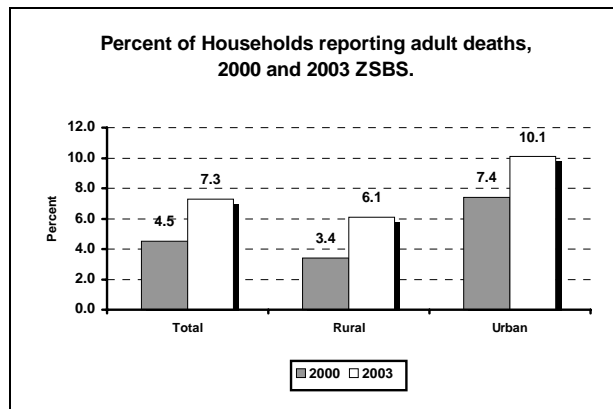
Despite recording some significant growth rate (39.1%) in maize production, Luapula Province is still lagging behind other provinces in production levels. Maize production for the province has been estimated at 20,664 metric tonnes from last year's expected harvest of 14,860 metric tonnes.

## Health

### Adult Deaths and Chronic illness on the Increase

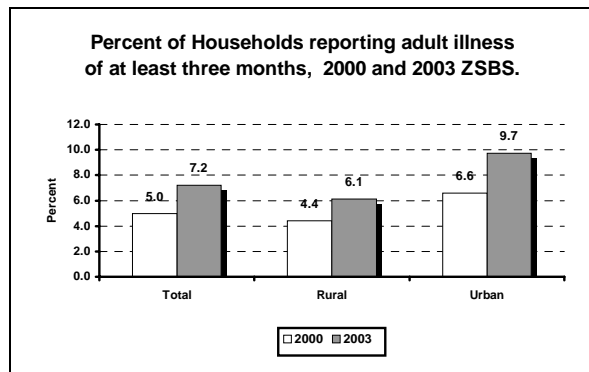
Death and chronic illness in households, particularly of persons in the most productive ages, have implications on the welfare of households in terms of increased burden on income to cover costs of medical care and other related costs. This is particularly devastating if the breadwinner of the household dies. These households may therefore require external care and support, to mitigate the effects of the loss in income, due to the loss of the breadwinner.

The 2003 Zambia Sexual Behavior Survey reveals that there has been an increase in the percentage of adult (15-59) deaths in households between 2000 and 2003 from 4.5% in 2000 to 7.3% in 2003. A higher proportion of households in urban areas (10.1%) reported adult deaths than households in rural areas (6.1%) in 2003.



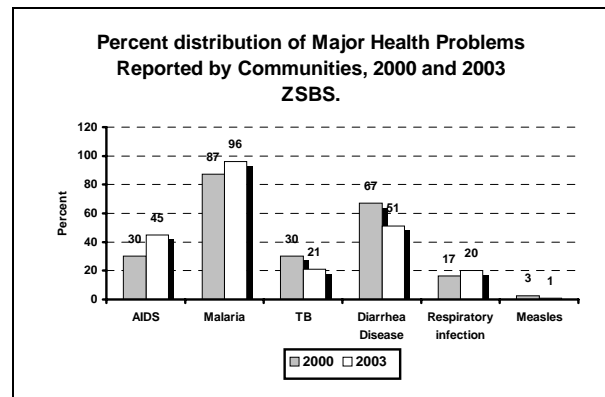
Source: 2003 Zambia Sexual Behavior Survey

Information on the presence of a chronically ill adult (an adult ill for at least three consecutive months in the 12 month period prior to the survey) in the household shows similar results as those pertaining to death. In the year prior to the survey, 7.2 percent of households reported the presence of a chronically ill adult, with 9.7 percent in urban areas and 6.1 percent in rural areas. This was an increase from the 2000 figures of 6.6 percent and 4.4 percent for urban and rural areas, respectively.



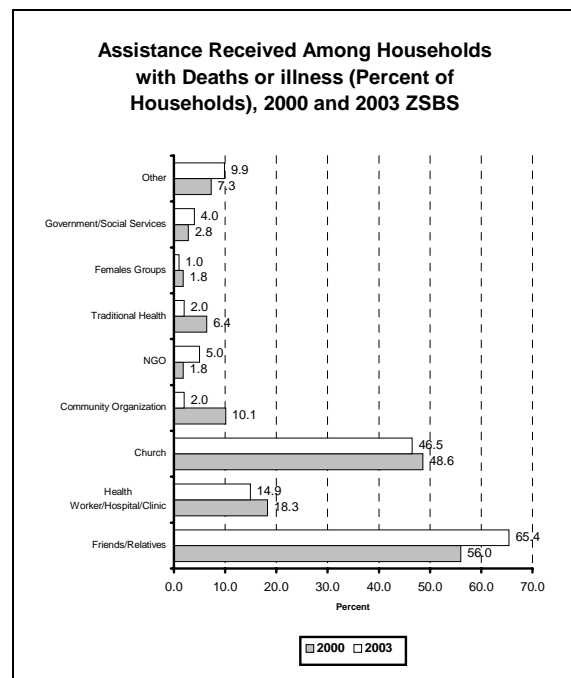
Source: 2003 Zambia Sexual Behavior Survey

HIV/AIDS may be the probable cause of the rise in death and chronic illness among adults in households. Among communities, 45 percent reported AIDS as the major health problem, showing an increase of 15 percentage points from the 30% observed in 2000. There was also an increase in the proportion of communities reporting malaria and respiratory infection as major health problems. Conversely, the proportion of communities reporting TB, Diarrhoea and Measles as major problems declined.



Source: 2003 Zambia Sexual Behavior Survey

Despite the increase in adult deaths and illness the percentage of household that received care and assistance in relation to adult illness or death remained stable between 2000 and 2003. Only about one third (35.6%) of households received assistance. The majority of households cited friends or relatives (65.4%) or church (46.5%) as the persons or places giving assistance. Notably, community organizations and traditional healers reduced participation in providing assistance between the 2000 and 2003 surveys. However, there was an increase in the assistance cited from government social services and NGOs.



Source: 2003 Zambia Sexual Behavior Survey

# Poverty

## Preliminary Poverty Results Out!!

The Living Conditions Monitoring Survey III (LCMSIII) was conducted for a period of 12 months, from November 2002 to October 2003. The survey employed a rolling probability sample of approximately 10,000 non-institutionalised private households. The LCMSIII is a typical example of the Integrated Surveys (IS), which normally have a fully-fledged household budget component.

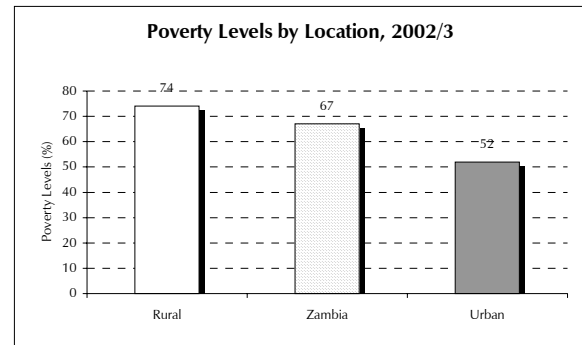
The existing poverty monitoring framework has two distinct types of surveys, namely the Integrated Surveys (IS) and the Indicator Monitoring Survey (IMS). The IS, a longitudinal survey, collects data over a long period of time, while the IMS collect cross-sectional data (at a point in time). Another distinction stems from the fact that the IS collect household consumption expenditure data using the diary method (where the respondent is required to record their expenses for a certain period of time in a diary), whereas the IMS use the recall method (where the respondent is expected to recall the expenditure of a certain period, at the point of interview). The 1998 LCMSII is an example of the IMS.

Therefore, due to the differences in the survey design methodologies, the results from the 1998 LCMSII and the 2002/2003 LCMSIII are not directly comparable.

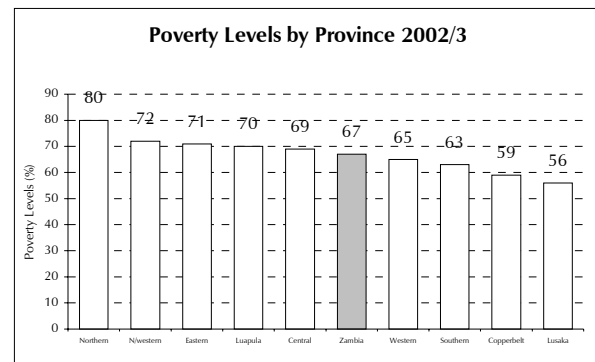
The main objective of the LCMSIII is to highlight and monitor the living conditions of the Zambian people. The information it provides is vital for the monitoring evaluation of the performance of the Poverty Reduction Strategy Paper (PRSP), the Transitional National Development Plan (TNDP) and the efforts by Government and its cooperating partners, aimed at improving the welfare of the Zambian people.

The preliminary poverty results of the LCMSIII, reveal that 67% of the total population covered was poor.

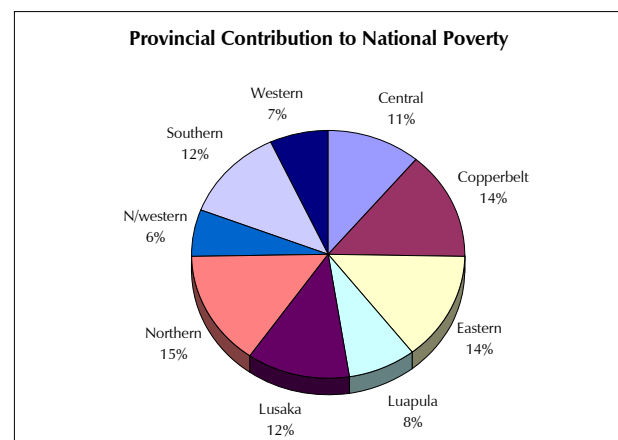
This implies that 67% of about 10.8 million people were deprived of the minimum basic needs (i.e. they fell below the poverty line). The proportion of poor persons was higher in rural, at 74%, than in urban areas, at 52%. Nearly three in every four persons in rural areas were poor compared with one in every two persons in urban areas.



Preliminary results further show that the head-count poverty was highest in Northern province, at 80 percent and lowest in Lusaka province, at 56 percent. The results show that poverty levels were above the national average of 67 percent in Northern, Northwestern, Eastern and Central provinces and below the national average in the remaining provinces.



Further analysis of the LCMSIII data reveals that Northern province contributed more to national poverty (15%), followed by Copperbelt and Eastern provinces, both at 14%. North western and Western provinces only accounted for about 6 and 7% of national poverty, respectively.



## Geographical Information System

### Access to Flush Toilets in Lusaka District

In the Census of 2000, CSO investigated households' access to means of excreta disposal. The means of excreta disposal considered in this article are flush toilets.

The map (refer to page 10) shows the percentage distribution of households with access to flush toilets as a means of excreta disposal by ward for Lusaka district. From the map, it is evident that low cost areas or unplanned settlements had the lowest percentage (less than 10%) of households with flush toilets as means of disposal. The worst-case scenarios are in Kanyama (4.4%), Chawama and Misisi compounds with 6.9 and 5.3% respectively. Mandevu and George compounds in Mandevu and Matero constituencies respectively, also had very low percentages. On the other hand, high cost areas mainly in Lusaka Central constituency, have high percentages of above 85%. This is also reflected in some townships under Kabwata Constituency like Libala (96%) and Kabwata (83.3%)

Such environmental information is of major use in planning for health service provision especially in times of outbreak of dangerous diseases like cholera and dysentery. An analysis of previous data on cholera outbreaks and prevalence in Lusaka townships would more likely reveal the same pattern where high incidences are observed in areas with flush toilets as means of excreta disposal.

### Available at the CSO!!

- ZamSED Version 1.2 CD
- Zambia Sexual Behavior Survey Report, 2003
- Zambia Demographic and Health Survey 2001-2002
- 2000 Census Reports

## The Layman and Statistics

**Cash Flow Statement:** This statement is used to assess the liquidity of government. It identifies how cash is generated and applied in a single accounting period. The surplus/deficit is a broad indicator of a sector's cash flow requirements. When it is positive (i.e. in surplus), it reflects the extent to which cash is available to government to either increase its financial assets or decrease its liabilities. When it is negative (i.e. in deficit), it is a measure of the extent to which government requires cash, either by running down its financial assets or by drawing on the cash reserves of the domestic economy, or from overseas.

**Expense:** All transactions that decrease the net worth of government are classified as expense. Excluded are purchases of non-financial assets because it has no effect on **net worth**. Rather it changes the composition of the balance sheet by exchanging an asset to another, i.e. cash to a motor vehicle.

**Revenue:** All transactions that increase the net worth of the government are classified as revenue. It should also be noted that the sale of a non-financial asset is not revenue because it has no effect on net worth.

**Net worth:** is the difference between the total value of all government assets and the total value of all liabilities.

**Other expense-current** constitutes purchases of goods and services, interest payments, grants and other transfers and social benefits.

**Other expense-capital** constitutes capital transfers to non-profit institutions.

**Head Count Poverty:** Head count poverty which measures the percentage of the population below the poverty line

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