



Republic of Zambia

# The Monthly

## Central Statistical Office

Volume 13

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April, 2004

### Economic Indicators

#### April Inflation records Marginal Increase

The annual rate of inflation was recorded at 17.8 percent as at April 2004. This rate is 0.2 of a percentage point higher than the March rate of 17.6 percent. Compared with April 2003, the annual rate of inflation declined by 6.1 percentage points, from 23.9 percent in April 2003 to 17.8 percent in April 2004.

Annual inflation rates for the Metropolitan Low, High Income and Non-Metropolitan Groups were recorded at 16.4, 18.1 and 18.3 percent respectively.

Between March and April 2004, the Consumer Price Index increased by 0.3 percent.



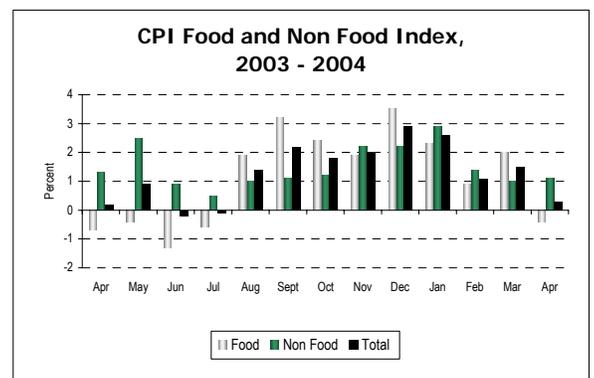
Source: CSO, Consumer Price Index, April 2004

Price increases in both food items and non-food items equally contributed to the level of inflation observed in April. Annual food inflation stood at 16.3 percent gaining 0.4 percentage points on the March rate of 15.9 percent. The index for food changed by -0.4 percent in the period March to April.

Contributing to food inflation were price increases for fresh meat, other cereals and cereal products, fresh fish, oils and fats, fresh vegetables, dressed chicken, sugar and other processed food commodities. Marginal price increases were recorded for maize meal. However price reductions were registered for maize grain, dried beans, sweet potatoes and dried kapenta.

Annual non-food inflation rate was recorded at 19.4 percent, decreasing by 0.2 of a percentage point on the March rate of 19.6 percent. Between March and April 2004, the Non-Food index increased by 1.1 percent.

Non-food inflation rate was largely due to increases in the cost of clothing and footwear, house rent, furniture, education and recreation.



Source: CSO, Consumer Price Index, April 2004

The food basket as at April 2004 was K558,253 for a family of six. The same family on average was expected to live on K801,644 for all their food and basic needs

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## Contributions to overall inflation

Of the total 17.8 percent annual inflation in April 2004, the increase in food prices accounted for 8.8 percentage points while non-food items in the CPI accounted for 9.0 percentage points.

Month	Inflation	Percentage point contribution to overall inflation	
		Food and Beverages	Non-Food Items
March	17.6	8.7	8.9
April	17.8	8.8	9.0

Source: CSO, Consumer Price Index, April 2004

## Relatively Stable Prices Recorded for Maize Meal

A comparison of prices between March and April 2004, shows that the average price of a 25kg bag of Roller Meal increased by 1.1 percent, from K27,162 in March to K27,460 in April 2004, while the price of Maize Grain measured in a 20-litre tin decreased by 14.0 percent. The average price of 1kg of dried Mpulungu Kapenta (small fish) showed an increase of 10.7 percent while the average price of 1kg of onion went up by 4.8 percent during the month.

## National Average Prices for Selected Products

Products	March	April	Percentage Change (%)
White breakfast 25kg	33,565	33,879	0.9
White roller 25 kg	27,162	27,460	1.1
White maize 20 ltr tin	15,066	12,963	-14.0
Samp 1kg	3,366	3,607	7.2
Rice local 1kg	6,512	7,093	8.9
Dried Kapenta Mpulungu	7,980	8,831	10.7
Dried Bream	12,145	12,846	5.8
Onion	2,487	2,607	4.8
Tomatoes	3,753	3,957	5.4
Mixed Cut	3,594	3,871	7.7

Source: CSO, Consumer Price Index, April 2004

## Gross Domestic Product

### GDP Figures Revised

In December 2003, the Gross Domestic Product (GDP) growth rate was estimated at 4.3 percent. Data for some sectors particularly the Manufacturing and Construction was based on the first two quarters of 2003. After incorporating data for all the four quarters for all sectors, the revised GDP in constant 1994 prices for 2003 is now estimated at K2,846.5 billion compared to K2,707.9 billion in 2002. This represents a growth of 5.1 percent in real terms. Almost all the sectors of the economy grew by significant margins, with the most notable growth sectors being Construction, Manufacturing and Agriculture. Value added in the Agriculture, Forestry and Fisheries sector increased from K411.7 billion in

2002 to K432.5 billion in 2003 recording an increase of 5.0 percent in real terms. The growth in agricultural production in 2002/2003 agriculture seasons is attributed to several factors. These are the favourable weather conditions in the 2002/2003 seasons, improved input distribution, and renewed Government commitment to the sector and private sector investments.

The Mining and quarrying sector experienced a moderate growth of 3.3 percent in 2003 compared to a growth of 16.4 percent in 2002. Real mining output increased from K 212.9 Billion to K 220.0 Billion. The marginal growth is due to relatively lower copper and cobalt production levels last year. Coal production has declined due to operational difficulties at Maamba Collieries, the sole coal producing company.

The Gross value added in the Manufacturing sector increased from K 289.4 Billion in 2002 to K 307.6 Billion in 2003 representing a growth of 7.7 percent in real terms. This growth mainly emanates from the Basic Metals, Non-metallic, Wood and Wood products and the Food, Beverages and Tobacco sub sectors.

In constant 1994 prices, the gross value added in the construction sector is estimated at K196.8 billion in 2003 compared to K161.8 billion in 2002. This represents a growth of 21.6 percent in real terms. The major contributing factors for construction sector growth was the increase in private sector works and also a surge in private residential construction. Additionally, public sector works such as the Katima-Mulilo Bridge, Livingstone - Kazungula road, Mongu-Kalabo road, Kabwe-Kapiri-Mposhi road, and Lusaka-Mongu roads, which got underway in the year, provided an impetus to growth of the sector.

### Gross Domestic Product by Kind of Economic Activity

KIND OF ECONOMIC ACTIVITY	2000	2001	2002	2003*
Agriculture, Forestry and Fishing	1.6	(2.6)	(1.7)	5.0
Mining and Quarrying	0.1	14.0	16.4	3.3
Manufacturing	3.6	4.2	5.7	7.6
Electricity, Gas and Water	1.2	12.6	(5.2)	0.6
Construction	6.5	11.5	17.4	21.6
Wholesale and Retail trade	2.3	5.4	5.0	6.1
Restaurants, Bars and Hotels	12.3	24.4	4.9	6.9
Transport, Storage and Communications	2.4	2.8	1.8	5.0
Financial Institutions and Insurance	(0.6)	0.1	3.5	3.5
Real Estate and Business services	17.0	3.5	4.4	4.0
Community, Social and Personal Services	(0.5)	5.8	1.6	1.6
Less: FISIM	2.5	2.5	2.5	2.5
TOTAL GROSS VALUE ADDED	3.4	4.6	4.6	6.0
Taxes on Products	5.2	7.0	(6.8)	(3.0)
TOTAL G.D.P. AT MARKET PRICES	3.6	4.9	3.3	5.1

\* Revised estimates

FISIM: Financial Intermediation Services Indirectly Measured

# International Trade

## March records increases in Imports and Exports

The month of March 2004 recorded increases in both total exports and total imports over February 2004. Total exports increased by 50 percent from K430,830 million in February to K647,959 million in March. Total Imports increased by 29 percent from K598,395 million to K774,099 million. The trade deficit, which was K167,565 million in February, decreased by 24 percent to K126,140 million in March. This was the lowest deficit during the first quarter of 2004.

### Exports and Imports, January to March 2004, (K' Million)\*

Month	Total Imports (Cif)	Domestic Exports (fob)	Re-Exports (fob)	Total Exports (fob)	Trade Balance
Jan-04	606,449	452,577	3,300	455,877	-150,572
Feb-04	598,395	427,758	3,072	430,830	-167,565
Mar-04	774,099	643,068	4,891	647,959	-126,140
<b>TOTAL</b>	<b>1,978,943</b>	<b>1,523,403</b>	<b>11,263</b>	<b>1,534,666</b>	<b>-444,277</b>

Note: (\*) Provisional

Source: CSO, International Trade Statistics, 2004

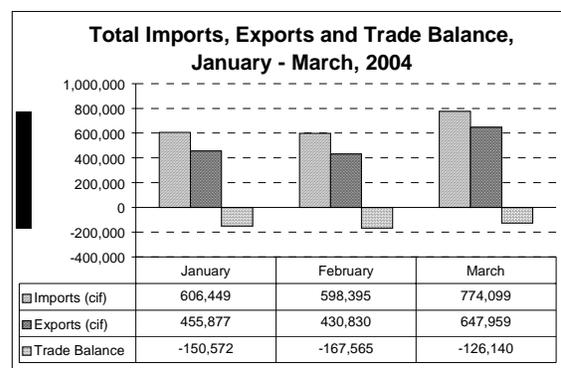
### Increased Exports of Crude Materials and Chemical recorded in March!

The significant increase in exports in March 2004 was mainly due to the following category of commodities:

**Crude materials excluding fuels:** Exports in this category increased from K31,152 million in February to K55,799 million in March. The major commodities in this section include natural graphite (K2,764 million in February and K19,685 million in March), and copper and concentrates (K4,872 million in February to K15,812 million in March).

**Chemicals:** Exports of chemicals also increased notably from K10,847 million in February to K61,224 million in March. Notable among chemical exports is ammonium nitrate (K369 million in February to K58,106 million in March).

**Miscellaneous manufactured articles:** Exports increased from K2,317 million to K11,616 million. The major item in this section was unused bank notes (K72 million in February to K9,282 million in February).



The country's major exports during the period January to March 2004 were in the category of manufactured goods classified chiefly by material, which include refined copper, cobalt, cotton yarn, precious stones and Portland cement. The other category was food and live animals, which include maize seed, cane sugar, vegetables and coffee. The other items of importance included crude materials excluding fuels and chemicals.

### Manufactured Articles and Mineral Fuel top Imports in March 2004

The increase in imports in March 2004 was mainly due to significant increases in imports of:

**Miscellaneous manufactured articles:** This category recorded K32,703 million in February compared to K121,059 million in March. The major import items under this section include footwear; other books, brochures & similar printed matter; plastic articles for conveying or packing goods; sacks & bags; babies' garments & clothing accessories and wooden furniture,

**Machinery & transport equipment:** (K194,741 million in February to K243,037 million in March): The major commodities include buckets, shovels, grabs & grips; machinery for crushing or grinding earth, stone, ores or other materials; other telephonic or telegraphic apparatus; other parts for machinery; other electric transformers (excluding liquid dielectric).

**Mineral fuels, lubricants & related materials:** (K62,086 million in February to K107,264 million in March); the major commodity was crude petroleum oils & oils obtained from bituminous minerals.

Manufactured goods classified chiefly by material: (K94,920 million in February to K107,264 million in March). The major commodities were iron or steel structures and parts; flat-rolled products of iron or non-alloy steel; seamless iron or steel tubes, pipes or profiles; re-treaded tyres; jute sacks & bags for packing goods; cast articles of non-malleable cast iron; grill netting & fencing, expanded metal, etc of iron or steel; aluminium wire, paper, etc.

### Exports and Imports by Standard International Trade Classification (SITC) Section, January - March 2004 (K' Millions) \*

Section	Jan-04		Feb-04		Mar-04		Trade balance
	Exports	Imports	Exports	Imports	Exports	Imports	
0	27,969	32,582	52,413	45,548	50,664	49,659	1,005
1	10,590	789	20,131	692	3,705	839	2,866
2	23,224	32,326	31,152	27,159	55,799	28,961	26,838
3	5,168	114,159	8,596	62,086	9,966	107,264	-97,298
4	310	14,253	428	20,059	236	15,245	-15,009
5	3,145	103,149	10,847	119,844	61,224	97,336	-36,112
6	370,804	97,971	300,652	94,920	448,954	110,569	338,385
7	13,077	161,762	4,230	194,741	5,255	243,037	-237,782
8	1,456	45,009	2,317	32,703	11,616	121,059	-109,443
9	134	4,449	63	642	539	130	409
Total	455,877	606,449	430,829	598,394	647,958	774,099	-126,141

\* Provisional

#### Note:

Section 0 = food & live animals;  
 Section 1 = beverages & tobacco;  
 Section 2 = crude materials, (exc. fuels),  
 Section 3 = mineral fuels, lubricants & related materials;  
 Section 4 = animal & vegetable oils, fats & waxes,  
 Section 5 = chemicals;  
 Section 6 = manufactured goods classified chiefly by material;  
 Section 7 = machinery & transport equipment;  
 Section 8 = Miscellaneous manufactured articles;  
 Section 9 = commodities & transactions not elsewhere in SITC.

## Regional Trade

### Trade with COMESA

Zambia's total exports to COMESA member States increased from K74,313 million in February to K144,900 million in March, while imports declined from K99,797 million to K68,178 million. The result of these changes was a trade surplus of K76,722 million. Zambia's major export markets in COMESA include: Democratic Republic of Congo (DRC), Zimbabwe, Malawi, Kenya, Mauritius, and Burundi, while the major sources of imports from COMESA member states are Zimbabwe and Kenya (89% of imports from COMESA in February and 80% in March).

### Trade with COMESA and SADC Countries, February and March 2004 (K' Millions)\*

Grouping	EXPORTS (fob)		IMPORTS (cif)		Balance Mar-04
	Feb-04	Mar-04	Feb-04	Mar-04	
COMESA members not part of SADC	7,095	5,371	17,855	11,957	-6,586
SADC members not part of COMESA	104,993	177,005	280,769	365,763	-188,758
Both COMESA and SADC members	67,218	139,529	81,942	56,221	83,308
<b>TOTAL COMESA</b>	<b>74,313</b>	<b>144,900</b>	<b>99,797</b>	<b>68,178</b>	<b>76,722</b>
<b>TOTAL SADC</b>	<b>172,211</b>	<b>316,534</b>	<b>362,711</b>	<b>421,984</b>	<b>-105,450</b>

\* Provisional

### Trade with SADC

Zambia's total exports to SADC member States increased from K172,211 million in February to K316,534 million in March. Imports increased from K362,711 million in February to K421,984 million in March. These changes resulted in a reduction in the trade deficit with SADC member States from K190,500 million in February to K105,450 million in March. Zambia's major export destination in SADC are South Africa, Congo (DR), Tanzania, Zimbabwe, Malawi, and Mauritius, while the major sources of imports from SADC are South Africa and Zimbabwe.

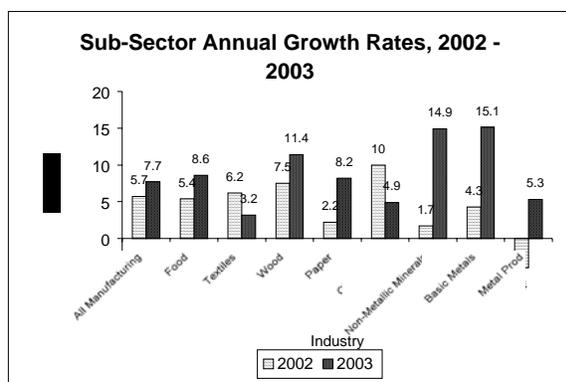
## Industrial Production

### Manufacturing Industry Records Growth

The index of manufacturing shows that the manufacturing sector recorded an annual growth of 7.7 percent in 2003. This is an improvement in sectoral performance over 2002 in which the sector grew by 5.7 percent. A close look at the index numbers for the last 3 years indicates that the sector has shown a steady growth since the year 2000.

Manufacturing consists of eight (8) distinct sub-sectors namely Food/Beverage and Tobacco, Textile and Clothing, Paper and Paper products, Chemicals/ Rubber and Plastics, Non-metallic Mineral products, Basic Metal Industries and the Metal products sectors.

A comparison of the growth rates between 2002 and 2003 indicates that annual growth rates in all sub-sectors during 2003 were higher than in 2002 except for textiles and chemicals, which recorded lower growth rates. The chart below shows the magnitudes of growth in the two years.



During the year 2003, high annual growth rates were recorded in the Food, Beverages and Tobacco sub-sector (8.6 percent), Non-Metallic mineral products sub-sector (14.9 percent) and Basic Mineral Products sub-sector at 15.1 percent. Other sub-sectors recorded growths of between 3.2 and 11.4 percent. The Food sector has the largest weight in the whole of manufacturing meaning a shift in this sub sector almost guarantees a similar shift in the entire manufacturing sector.

During the year under review (2003), notable products that contributed significantly to the growth in the Non-metallic Mineral Products include cement and lime products. The overall performance in the rest of the year was relatively better than in the previous year.

Overall output in the Paper and Paper Products sub-sector registered an increase of 8.2 percent in the year 2003 over the level obtained in 2002. Growth in this sector is attributable to high production levels of products such as packaging materials, books and paper products among others. The sector showed a steady increase in output throughout the year 2003.

## Agriculture

### Input Delivery Cardinal in Improving Agricultural Output

Last Agricultural season, Zambia experienced a very good harvest when it produced 1.2 million metric tonnes of maize. Similarly, most other crops performed well. The increase in maize production from 601.6 thousand metric tonnes during the 2001/02 agricultural season to 1.2 million tonnes during the 2002/03 agriculture season an increase of 101 percent was mainly attributed to good rainfall and an improved supply of inputs coupled with subsidized fertilizer through PAM (FSP)

which targeted 200,000 small but viable farming households as well as fertilizer support programme managed by the Ministry of Agriculture and Cooperatives. The Food Agricultural Organization (FAO) Emergency office, with funds from Norway, the Netherlands and Sweden, devised a programme based on delivering a Food Security Pack (FSP) of agriculture inputs for the 2002/03 growing season. Fifty nine thousand five hundred (59,500) such packs were delivered by a number of implementing partners, from central points served by FAO's suppliers. Several other NGOs also participated in the distribution of food packs. 'Due to the good harvest during 2002/03 agriculture season the price of maize grain remained peaked in February at much lower levels compared to other years'.

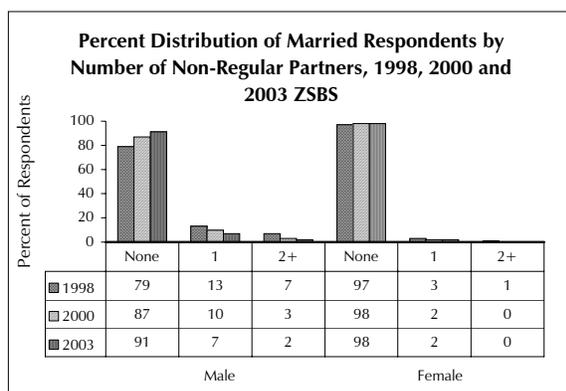
The rainfall pattern during the current agriculture season (2003/04) has been very favourable for crop production countrywide. However the season was characterised by several problems. The fertilizer distribution was not as good as the previous season in most districts in the country as top dressing fertilizer was delivered late. The Government Fertilizer Support Programme continued though a small farmer had to pay a little bit more compared to the previous season. Some cases of flooding and crops being washed away have been reported in some parts of the country such as the Zambezi West bank and the Barotse plains and an outbreak of larger grain borer (LGB) in some parts of Southern Province such as Zimba. However, the expected production is difficult to determine at the moment until the results of the Crop Forecasting Survey (CFS) being conducted by MACO and CSO are released.

## Health

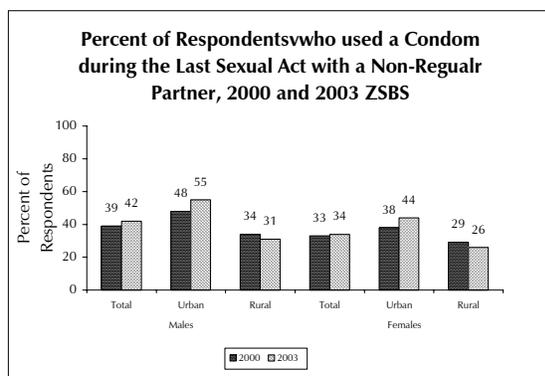
### Sex with Non-Regular Partners Among Married Individuals on the Decline

Results from the just disseminated 2003 Zambia Sexual Behaviour Survey (ZSBS) show that there has been an increase in the proportion of married persons reporting that they did not have other sex partner, other than their spouse in the period 12 months prior to the survey. In 1998, 79 percent of the married males and 97 of the married females reported having no other sex partner, apart from their spouse. This increased to 91 percent of the males and 98 percent of the females in 2003.

Proportions of married persons who reported sex with one non regular sex partner 12 months prior to the survey decreased during the period 1998 to 2003. In 1998, 13 percent of the males and 3 percent of the females reported having had one non regular sex partner in the period 12 months prior to the survey. These percentages declined to 7 percent for the males and 2 percent for the females in 2003. Also, proportions of married persons with at least two non regular sex partners have decreased during the period 1998 to 2003. In 1998, 7 percent of the males and 1 percent of the females reported having had at least two non regular partners. These percentages declined to 2 percent for the males, while no female reported having had two non regular sex partners in the 12 months prior to the survey.



This reported decline in the number of non regular partners in itself could contribute to the reduction in the spread of HIV. Also, there has been a slight increase in the proportion of persons using condoms with non regular sexual partners.



Overall, 42 percent of males and 34 percent of females reported having used a condom with a non regular partner during the last sexual act in 2003, an increase from 39 percent and 33 percent in

2000, for the males and females, respectively. However, rural areas recorded a decline in the proportion of persons who used condoms during the last sexual act with a non regular partner while urban areas recorded an increase.

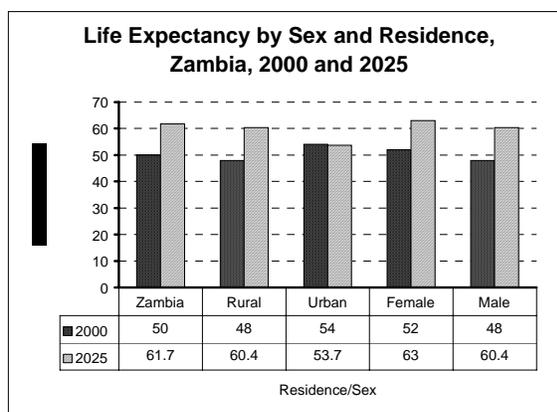
Among the males, 55 percent of males in urban areas used a condom during sex with a non-regular sex partner in 2003 compared to 48 percent in 2000, while only 31 percent of men used condoms in rural areas in 2003 compared to 34 percent in 2000.

Among women, 44 percent used condoms in 2003 compared to 38 percent in urban areas, while a decline was also recorded among women in rural areas with only 26 percent using condoms with sex with a non-regular sex partner in 2003 compared to 29 percent in 2000.

## Population Projections

### Zambians To Live Twelve Years More In 2025

Life expectancy at birth for Zambians will increase to 61.7 years in 2025. According to the Population projection report, the average number of years at birth for a Zambian in 2025 would be 11.7 years more than that recorded at 2000. While females are expected to live, on average, four years (52 versus 48 years) more than males in 2000, they will be expected to live up to 2.6 years (63 years versus 60.4 years) more than their male counterparts by the year 2025, suggesting that males will have their life expectancy improve by 1.4 years in comparison to the female life expectancy. The report further reveals that by 2025 expectation of life in urban areas will not have increased as significantly as it would in rural areas. Life expectancy in urban areas will remain relatively stable at about 54 years, unlike rural areas where life expectancy at birth is expected to increase from 48 years in 2000 to 56.1 years in 2025. See graph below.



It is also clear to note from the report that life expectancy will improve by considerably bigger margins in the most rural provinces of Zambia particularly in Luapula and Western Provinces. The forecast shows that increase from 45 years and 44 years in 2000 to 57.6 years and 54.9 years in 2025 would be experienced in Luapula and Western Provinces, respectively whereas the least progression would be observed in one of the urbanized provinces, Central Province, from 52.0 years in 2000 to 53.6 years in 2025 as is reflected in the table below.

**Provincial Percentage Change In Life Expectancy Between 2000 And 2025.**

Province	Year		Percent rise
	2000	2025	
Central	52.0	53.6	3.1
Copperbelt	54.0	63.0	16.7
Eastern	46.0	54.7	18.9
Luapula	45.0	57.6	28.0
Lusaka	54.0	58.8	8.9
Northern	46.0	49.3	7.2
North-Western	56.0	61.3	9.5
Southern	53.0	56.6	6.8
Western	44.0	54.9	24.8

**The Layman and Statistics**

**Occupation:** refers to the type of work done by an individual during a particular reference time-period, irrespective of the industry or status of the individual, whether as an employee or employer.

To allow for international comparability, the CSO uses the International Standard Classification of Occupation (ISCO) compiled by the United Nations.

**Industry:** refers to the activity of the establishment the individual worked in during a particular reference time-period irrespective of the type of goods or services produced.

To allow for international comparability, the CSO uses the International Standard Industrial Classification (ISIC) compiled by the United Nations.

**Index of Industrial Production:** is a measure of the country’s industrial output based on the rate of change in industrial production over time. The CSO computes an index of industrial production that measures changes in volume of production during a given period in relation to the base year, currently the year 2000.

Changes in the index provide an indicator of trends in the manufacturing, mining and electricity production sectors.

**Up-Coming Survey...**

**Agricultural Crop Forecast Survey...**

The Central Statistical Office in collaboration with the Ministry of Agriculture and Cooperatives will be conducting the 2003/4 Crop Forecasting Survey during the month of May 2004.

The main objective of the survey is to obtain information from farmers on the anticipated estimates of area under major crops, total production expected, and crop sales information during the season. This information is important in assessing the expected food security situation in the country and also in the computation of the National Food Balance Sheet, used to determine whether the country has a surplus or deficit in major cereals and tubers.

This information is important to the Government, NGOs, private sector and donors for strategic planning and decision- making.

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