

# National Bureau of Statistics

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## STATISTICS RELEASE

### FEBRUARY 2003 INFLATION RATE SLIGHTLY DECLINES

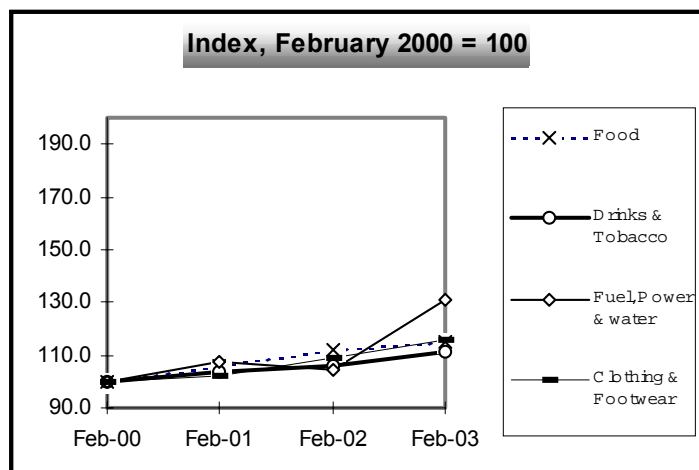
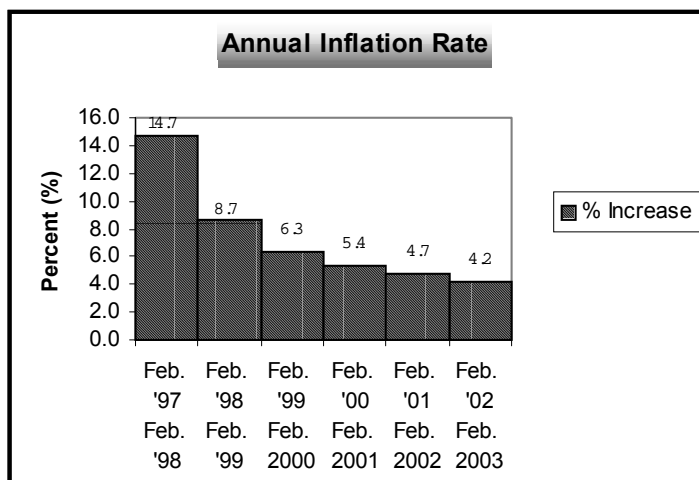
Inflation rate for February 2003 has slightly gone down. According to the National Consumer Price Index (NCPI), Inflation rate for February 2003 is 4.2 percent in relation to the figures for February the previous year. The February 2003 inflation rate has gone down by 0.2 percentage points when compared with January 2003 inflation figure, which was 4.4 percent. As measured on a month-to month basis that is between January 2003 and February 2003 inflation rose by 3.1 percent. It should be noted, however, that the decrease in the February 2003 inflation rate is attributed to the fact that the overall index for February 2003 is compared with a bigger February 2002 overall index as a denominator.

The overall Index increased from 239.3 in January 2003 to 246.7 in February 2003. Prices for both food items and non-food items had gone up. Food items that had increased prices were rice, maize grain and maize flour, beef, chicken, goat meat, fish, beans, cowpeas, cassava and potatoes. In addition, the price of beer in the Drinks and Tobacco sub-group has also increased. Non-food consumer items, which had increased prices, were kerosene, charcoal, laundry soap, insecticides, radios, petrol, school fees (private secondary schools) and postage. However, prices of clothing, footwear, furniture, toilet soap and toothpaste went down. Details of the National Consumer Price Index for the month of February 2003 by consumption groups are tabulated below: -

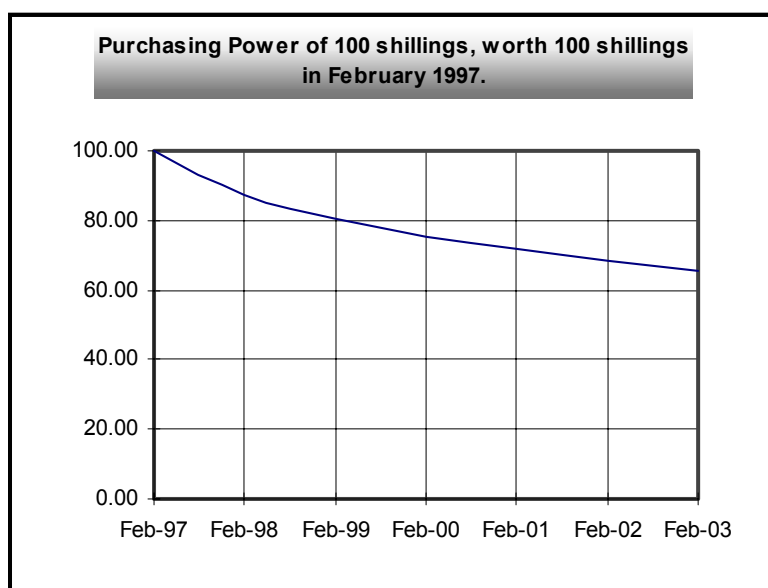
#### NATIONAL CONSUMER PRICE INDEX (ALL-URBAN) FEBRUARY 2003 (Base: December 1994 = 100)

MAIN GROUP		Weight	Feb. 2003	Jan. 2003	% Change Jan. 2003 to Feb. 2003	Feb. 2002	% Change Feb. 2002 to Feb. 2003
1.	Food	71.2	258.3	248.2	+ 4.1	252.0	+ 2.5
2.	Drinks and Tobacco	4.4	185.6	183.8	+ 1.0	176.7	+ 5.0
3.	Rents	3.9	207.7	207.7	0.0	199.6	+ 4.1
4.	Fuel, Power and Water	4.7	339.5	338.3	+ 0.4	270.7	+ 25.4
5.	Clothing and Footwear	3.7	209.9	210.3	- 0.2	197.0	+ 6.5
6.	Furniture & Household Equipment	2.5	204.2	204.6	- 0.2	195.2	+ 4.6
7.	Household Operations & Maintenance	1.5	168.1	166.8	+ 0.8	160.3	+ 4.9
8.	Personal Care & Health	2.2	159.9	160.2	- 0.2	149.1	+ 7.2
9.	Recreation & Entertainment	1.2	176.0	175.0	+ 0.6	172.2	+ 2.2
10.	Transportation	1.2	250.3	248.6	+ 0.7	241.3	+ 3.7
11.	Education	1.5	211.2	210.5	+ 0.3	200.8	+ 5.2
12.	Miscellaneous Goods and Services	2.0	162.9	160.5	+ 1.5	158.4	+ 2.8
<b>TOTAL - ALL ITEMS INDEX</b>		<b>100.0</b>	<b>246.7</b>	<b>239.3</b>	<b>+ 3.1</b>	<b>236.8</b>	<b>+ 4.2</b>

The yearly price increases i.e. annual rate of inflation (February to February 1997 - 2003) for the last six years as well as movement in group indices from February 2000 to February 2003 are shown in the diagrams below:-



The diagram below depicts the purchasing power of the shilling in terms of consumption at different times. From February 1997, the value of 100 shillings (*and thus the purchasing power*), has been decreasing, declining to 65 shillings and 62 cents in February 2003.



The National Consumer Price Index (NCPI) covers prices collected in 20 urban towns (Regional Towns) in Mainland Tanzania. Prices are gathered for 212 items. All prices collected are the prevailing market prices.

The NCPI is a statistical measure of goods and services bought by persons in urban areas, including all expenditure groups and both families and single persons. It measures changes in price - not - expenditure - which are the most important cause of changes in the cost of living.