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STATISTICS RELEASE

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Our Ref: BS/S.40/21/338

Date: 16th February 2004

FEBRUARY 2004 INFLATION RATE SLIGHTLY INCREASES

Inflation rate for February 2004 has slightly increased. According to the National Consumer Price Index (NCPI), inflation rate for February 2004 is 4.8 percent in comparison with the figures for February the previous year. The February 2004 inflation rate has gone up by 0.1 percentage point when compared with January 2004 inflation figure, which was 4.7 percent as measured on a year - to - year basis.

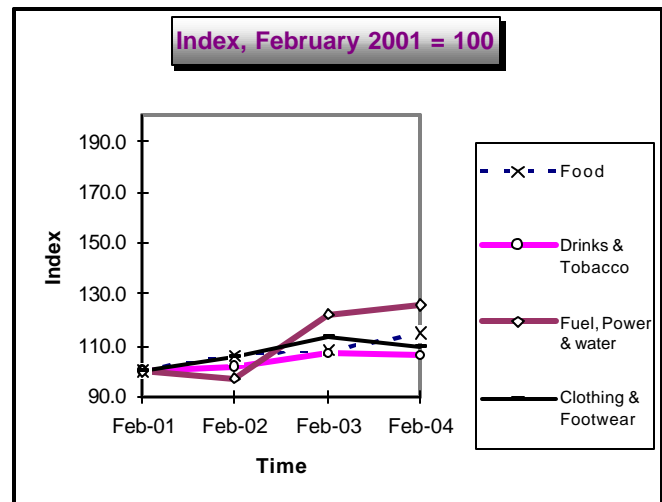
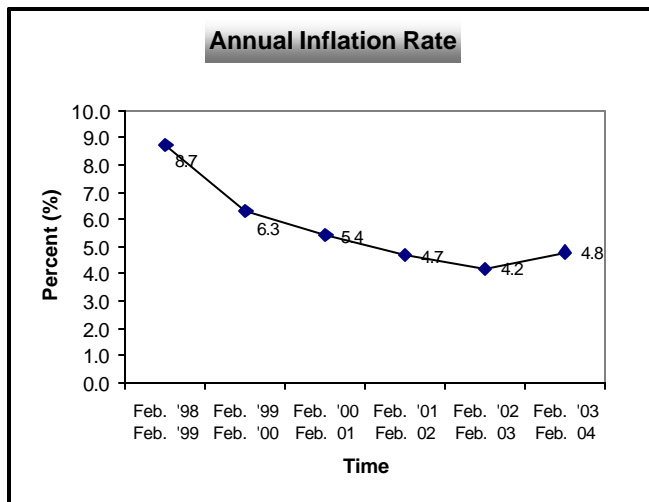
The February inflation rate as measured on a month-to-month basis, that is between January 2004 and February 2004 went up by 3.2 percent. The Overall Index increased from 250.5 in January 2004 to 258.5 in February 2004. Prices for both food and non-food items had gone up. Under the main Food Group, the sub groups that had increased prices were cereals (rice, maize grain, maize and wheat flour and bread) and fish. Other food items, like cowpeas, cabbage and cassava had also increased prices. Non-food items that had increased prices were kerosene, dresses (gowns), tailoring charges and secondary school uniforms. However, prices for coffee (instant), beds, electric and charcoal irons, basins, toothpaste, hair cream, radio cassettes, TV sets and wrist watches had gone down. Details of the National Consumer Price Index for the month of February 2004 by consumption groups are tabulated below: -

NATIONAL CONSUMER PRICE INDEX (URBAN) FEBRUARY 2004 (Base: December 1994 = 100)

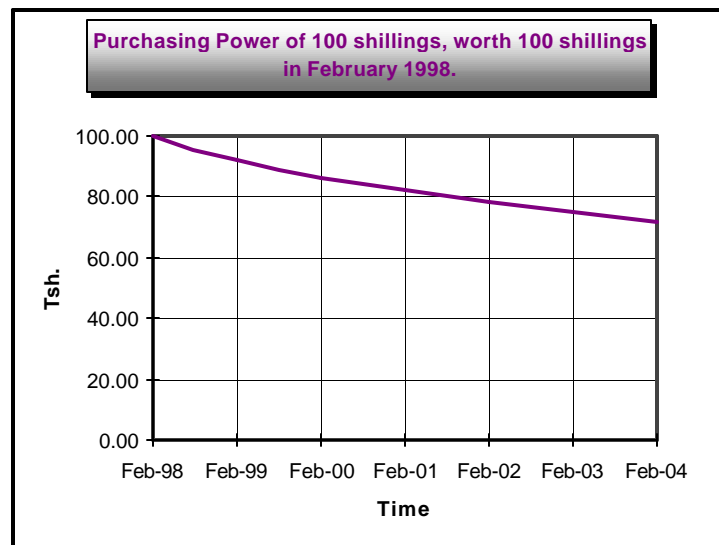
MAIN GROUP		Weight	Feb 2004	Jan. 2004	% Change Jan. 2004 to Feb. 2004	Feb. 2003	% Change Feb. 2003 to Feb. 2004
1.	Food	71.2	274.2	263.3	+4.1	258.3	+6.2
2.	Drinks and Tobacco	4.4	184.4	184.5	-0.1	185.6	-0.6
3.	Rents	3.9	217.3	217.2	0.0	207.7	+4.6
4.	Fuel, Power and Water	4.7	350.7	345.2	+1.6	339.5	+3.3
5.	Clothing and Footwear	3.7	203.1	202.9	+0.1	209.9	-3.2
6.	Furniture & Household Equipment	2.5	204.4	205.4	-0.5	204.2	+0.1
7.	Household Operations & Maintenance	1.5	169.5	169.7	-0.1	168.1	+0.8
8.	Personal Care & Health	2.2	158.9	159.0	-0.1	159.9	-0.6
9.	Recreation & Entertainment	1.2	175.8	176.0	-0.1	176.0	-0.1
10.	Transportation	1.2	251.2	251.1	0.0	250.3	+0.4
11.	Education	1.5	207.4	206.8	+0.3	211.2	-1.8
12.	Miscellaneous Goods and Services	2.0	158.3	158.4	-0.1	162.9	-2.8
TOTAL - ALL ITEMS INDEX		100.0	258.5	250.5	+3.2	246.7	+4.8

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The yearly price increases i.e. annual rate of inflation (February to February 1998 - 2004) for the last six years as well as movement in group indices from February 2001 to February 2004 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 1998, the value of 100 shillings (*and thus the purchasing power*), has been decreasing, declining to 71 shillings and 84 cents in February 2004.



The National Consumer Price Index (NCPI) covers prices collected in 20 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.

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