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STATISTICS RELEASE

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JUNE 2004 INFLATION RATE SLIGHTLY DECLINES

Inflation rate for June 2004 has gone down. According to the National Consumer Price Index (NCPI), inflation rate for June 2004 is 6.3 percent. The June 2004 inflation rate has gone down by 0.1 percentage point when compared with May 2004 inflation figure, which was 6.4 percent as measured on a year - to - year basis.

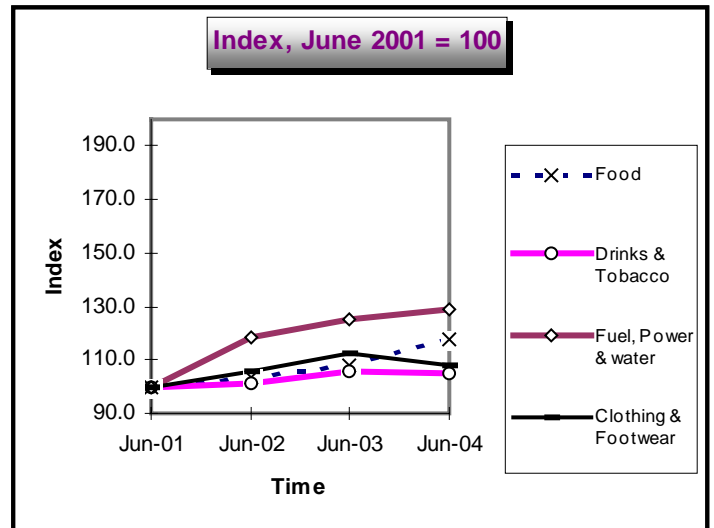
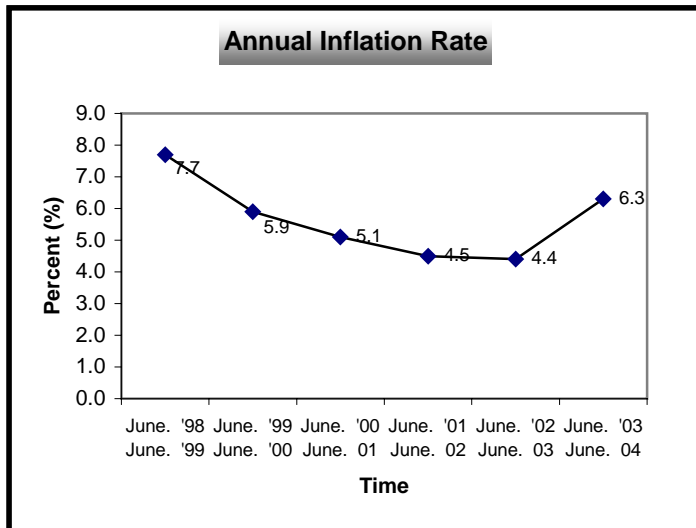
The June inflation rate as measured on a month-to-month basis, that is between May 2004 and June 2004 went down by 2.6 percent. The Overall Index decreased from 260.9 in May 2004 to 254.1 in June 2004. Prices for both food and non-food items had gone down. Under the main Food Group, the sub groups that had decreased prices were cereals (rice, maize grain and maize flour). Other food items, like fruits, groundnuts, coconuts, beans, cowpeas, cassava and sugar had also decreased prices. Non-food items that had decreased prices were charcoal and clothing and footwear. However, prices for coffee (instant), beer, furniture, face and hair creams, bicycles, petrol, wrist watches and handbags had gone up. Details of the National Consumer Price Index for the month of June 2004 by consumption groups are tabulated below: -

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

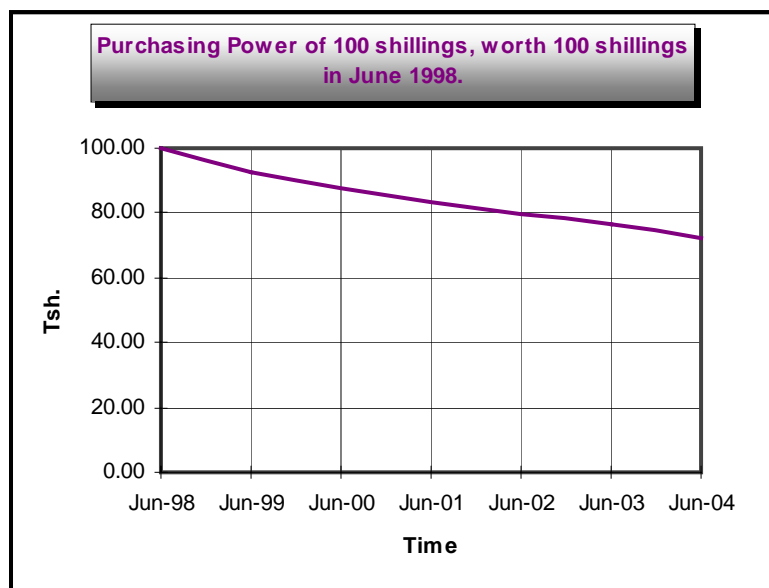
MAIN GROUP		Weight	June 2004	May 2004	% Change May 2004 to June 2004	June 2003	% Change June 2003 to June 2004
1.	Food	71.2	268.4	277.7	-3.3	247.2	+8.6
2.	Drinks and Tobacco	4.4	184.2	184.1	+0.1	185.2	-0.5
3.	Rents	3.9	217.3	217.3	0.0	210.5	+3.2
4.	Fuel, Power and Water	4.7	352.3	355.4	-0.9	342.4	+2.9
5.	Clothing and Footwear	3.7	199.8	200.5	-0.3	208.6	-4.2
6.	Furniture & Household Equipment	2.5	205.3	204.4	+0.4	204.4	+0.4
7.	Household Operations & Maintenance	1.5	170.1	170.1	0.0	171.5	-0.8
8.	Personal Care & Health	2.2	156.8	156.7	+0.1	160.2	-2.1
9.	Recreation & Entertainment	1.2	172.8	172.8	0.0	178.5	-3.2
10.	Transportation	1.2	252.1	251.8	+0.1	251.7	+0.2
11.	Education	1.5	202.9	202.9	0.0	211.1	-3.9
12.	Miscellaneous Goods and Services	2.0	157.6	157.4	+0.1	161.0	-2.1
TOTAL - ALL ITEMS INDEX		100.0	254.1	260.9	-2.6	239.0	+6.3

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The yearly price increases i.e. annual rate of inflation (June to June 1998 - 2004) for the last six years as well as movement in group indices from June 2001 to June 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 June 1998, the value of 100 shillings (*and thus the purchasing power*), has been decreasing, declining to 71 shillings and 94 cents in June 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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