



# National Bureau of Statistics

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## STATISTICS RELEASE

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### MAY 2004 INFLATION RATE SLIGHTLY DECLINES

Inflation rate for May 2004 has gone down. According to the National Consumer Price Index (NCPI), inflation rate for May 2004 is 6.4 percent. The May 2004 inflation rate has gone down by 0.1 percentage point when compared with April 2004 inflation figure, which was 6.5 percent as measured on a year - to - year basis.

The May inflation rate as measured on a month-to-month basis, that is between April 2004 and May 2004 went down by 1.1 percent. The Overall Index decreased from 263.8 in April 2004 to 260.9 in May 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 cooking oils, fruits, groundnuts, coconuts, and beans, cowpeas and vegetables had also decreased prices. Non-food items that had decreased prices were clothing, footwear, laundry soap, insecticides, radio and radio cassettes, TV sets, audio cassettes, school writing materials and secondary school uniforms. However, prices for coffee (instant), tea leaves, kerosene, furniture, toilet soap, toothpaste, face and hair creams, cars, bicycles, petrol, wrist watches and handbags had gone up. Details of the National Consumer Price Index for the month of May 2004 by consumption groups are tabulated below: -

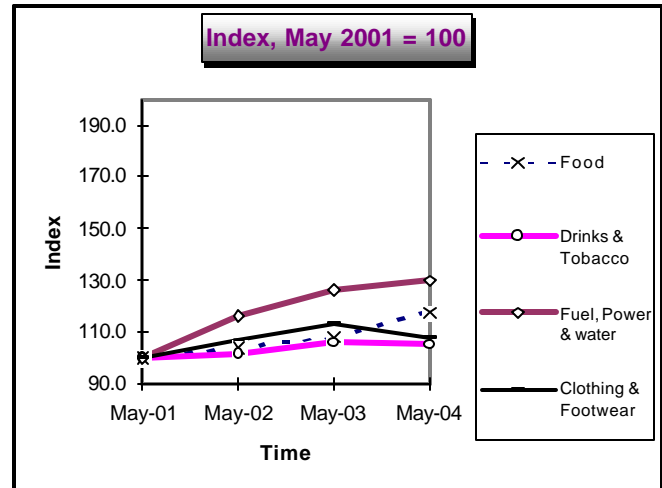
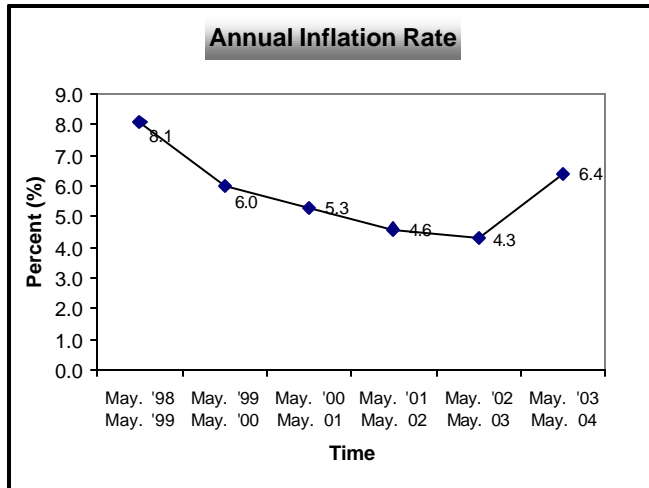
### NATIONAL CONSUMER PRICE INDEX (URBAN)

MAY 2004 (Base: December 1994 = 100)

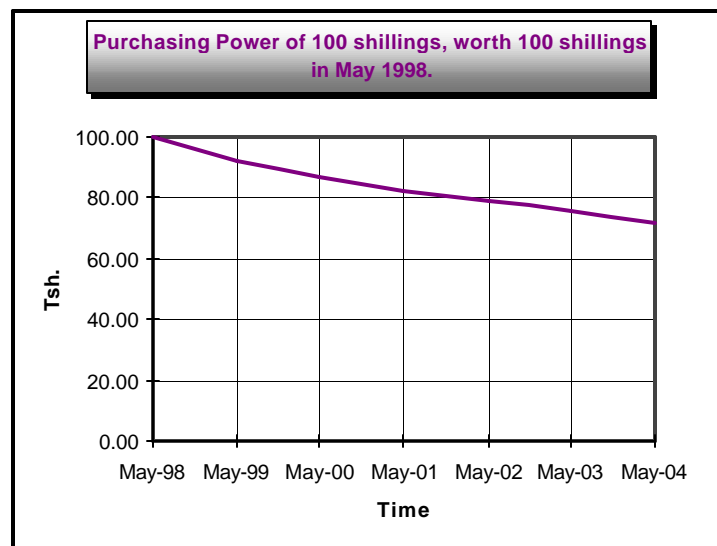
MAIN GROUP		Weight	May 2004	Apr. 2004	% Change Apr. 2004 to May 2004	May 2003	% Change May 2003 to May 2004
1.	Food	71.2	277.7	281.8	-1.5	255.1	+8.9
2.	Drinks and Tobacco	4.4	184.1	184.0	0.1	185.3	-0.6
3.	Rents	3.9	217.3	217.3	0.0	210.4	+3.3
4.	Fuel, Power and Water	4.7	355.4	354.9	+0.1	346.9	+2.5
5.	Clothing and Footwear	3.7	200.5	200.8	-0.1	210.1	-4.6
6.	Furniture & Household Equipment	2.5	204.4	203.5	+0.4	205.6	-0.6
7.	Household Operations & Maintenance	1.5	170.1	170.5	-0.2	171.5	-0.8
8.	Personal Care & Health	2.2	156.7	156.3	+0.3	161.1	-2.7
9.	Recreation & Entertainment	1.2	172.8	174.7	-1.1	178.6	-3.2
10.	Transportation	1.2	251.8	251.5	+0.1	252.7	-0.4
11.	Education	1.5	202.9	203.1	-0.1	211.4	-4.0
12.	Miscellaneous Goods and Services	2.0	157.4	157.0	+0.3	161.8	-2.7
<b>TOTAL - ALL ITEMS INDEX</b>		<b>100.0</b>	<b>260.9</b>	<b>263.8</b>	<b>-1.1</b>	<b>245.1</b>	<b>+6.4</b>

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The yearly price increases i.e. annual rate of inflation (May to May 1998 - 2004) for the last six years as well as movement in group indices from May 2001 to May 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 May 1998, the value of 100 shillings (*and thus the purchasing power*), has been decreasing, declining to 71 shillings and 43 cents in May 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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