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STATISTICS RELEASE

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Our Ref: BS/S.40/21/359

Date: 18th October 2004



The National Bureau of Statistics (NBS) has revised Basket of Goods and Services as well as Weights for the National Consumer Price Index (NCPI) based on the results of 2000/01 Household Budget Survey (HBS).

Starting with September 2004 NCPI, the NBS is producing NCPI using new Basket and new Weights so as to reflect the latest consumption pattern of the people as obtained from analysis of the HBS. It should be noted that changes in the indices and hence, inflation rates, should be attributed not only to the changes in the prices of consumer goods and services but also to changes in the consumption pattern (weights) as well.

SEPTEMBER 2004 INFLATION RATE SLIGHTLY DECLINES

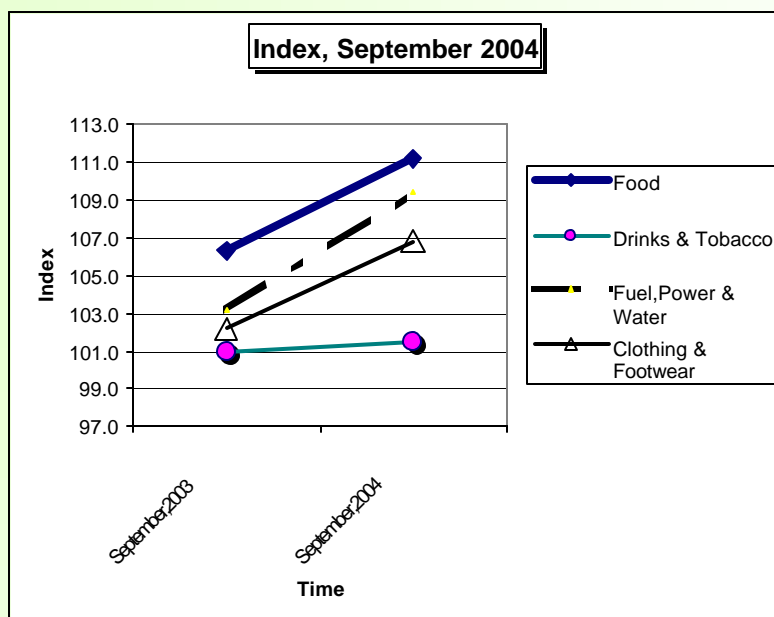
Inflation rate for September 2004 has gone down. According to the National Consumer Price Index (NCPI), inflation rate for September 2004 is 4.0 percent in comparison with the figures for September the previous year. The September 2004 inflation rate has gone down by 0.1 percentage point when compared with August 2004 inflation figure, which was 4.1 percent as measured on a year - to - year basis.

The September inflation rate as measured on a month-to-month basis, that is between August 2004 and September 2004 went up by 0.2 percent. The Overall Index increased from 108.5 in August 2004 to 108.7 in September 2004. Some prices for both food and non-food items had gone down. Food items that had decreased prices were maize grain, cassava, beans, tomatoes, pawpaws, beef sausages, cooking oils and bottled drinks (squash). However, prices for clothing, footwear, kerosene, charcoal, furniture, utensils, insecticides, torch batteries, dry cleaning, toilet soap, tooth paste, face, hair and shaving creams, razor blades, radios and radio cassettes, football entry fee, bicycles, bicycle and car tyres, car service charge, wrist watches, cell phones, postage and hotel accommodation had gone up. Details of the National Consumer Price Index for the month of September 2004 by consumption groups are tabulated below: -

**NATIONAL CONSUMER PRICE INDEX (URBAN)
SEPTEMBER 2004 (Base: 2001 = 100) – Using new Basket and new Weights**

MAIN GROUP		Weight	Sept. 2004	August 2004	% Change Aug. 2004 to Sept. 2004	Sept. 2003	% Change Sept.2003 to Sept.2004
1.	Food	55.9	111.2	111.3	-0.1	106.3	+4.6
2.	Drinks and Tobacco	6.9	101.5	101.8	-0.3	101.0	+0.5
3.	Clothing and Footwear	6.4	106.8	105.6	+1.1	102.2	+4.5
4.	Rents	1.4	101.6	101.7	0.0	101.3	+0.3
5.	Fuel, Power and Water	8.5	109.4	109.3	+0.1	103.2	+6.0
6.	Furniture & Household Equipment	2.1	104.8	102.4	+2.3	101.8	+2.9
7.	Household Operations & Maintenance	2.1	104.6	103.4	+1.2	100.3	+4.3
8.	Personal Care & Health	2.1	105.6	104.3	+1.2	104.1	+1.4
9.	Recreation & Entertainment	0.8	106.0	104.4	+1.5	102.2	+3.7
10.	Transportation	9.7	103.9	103.1	+0.8	100.6	+3.3
11.	Education	2.6	104.8	104.8	0.0	103.9	+0.9
12.	Miscellaneous Goods and Services	1.5	101.7	100.5	+1.2	101.2	+0.5
TOTAL - ALL ITEMS INDEX		100.0	108.7	108.5	+0.2	104.5	+4.0

The yearly price increase i.e. movement in-group indices from September 2003 to September 2004 are shown in the diagram below:



The diagram below depicts the purchasing power of the shilling in terms of consumption at different times. From September 2003, the value of 100 shillings (*and thus the purchasing power*), has decreased, declining to 96 shillings and 20 cent s in September 2004.



The National Consumer Price Index (NCPI) covers prices collected in 20 towns in Mainland Tanzania. Prices are gathered for 207 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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