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REBASING OF NATIONAL CONSUMER PRICE INDEX METHODOLOGY REPORT



MINISTRY OF FINANCE AND PLANNING

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METHODOLOGY REPORT FOR REBASING NATIONAL CONSUMER PRICE INDEX FROM 2007 TO 2011/12 USING 2011/12 HOUSEHOLD BUDGET SURVEY

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1. Introduction

National Consumer Price Index (NCPI) measure changes over time in the general level of prices of goods and services that household purchases for the purpose of final consumption. For this reason, NCPI has increasingly become key macro economic indicator for monitoring price movements and how these movement impact on policy decisions. Moreover, NCPI have been tailored to suit a number of applications, the common ones being; indexation of wages, rents, contracts and social security payments, the deflation of economic series in national accounts statistics and a general macro economic indicator for disinflation programs and setting of interest rates.

2. Summary of Current Practice on NCPI Compilation

The National Bureau of Statistics (NBS) produces monthly NCPI which is used to determine monthly inflation rates. Currently, the NCPI is computed on the basis of a fixed basket of goods and services comprising 224 items of which 70 are food and 154 non-food items. The item prices are collected from urban regional headquarters of 21 administrative regions of Tanzania Mainland. The current NCPI is more of a domestic concept because prices are collected from the domestic territory only. Since the 2007 HBS was not designed to separate expenditures made abroad and within the country, the current NCPI weights which is the share of total household expenditure spent on a particular product during the price reference period, may have a component of expenditures made abroad. Moreover non business expenditures of foreign visitors are also excluded.

The NCPI is based on plutocratic weights, in which more weight is given to high-spending households. The weighting regime based on plutocratic approach is more appropriate for CPI intended to be used as a measure for inflation. The payments approach which relates to the period of time when the actual payments for the product are made is used during computation of CPI weights. This approach can differ from the period when it is acquired and/or when it is used. A CPI based on this approach measures the change in the cost of purchasing a commodity over time. Thus, own account production and own occupied houses are excluded from the NCPI weights. The NCPI follows the internationally recommended Classification of Individual Consumption by Purpose (COICOP) in its weight structure.

The NCPI is compiled basing on September 2010 as the base price period and the weights for the index are based on expenditures from both urban and rural households derived from 2007 HBS. The 2007 HBS expenditures have been price updated from 2007 to September 2010 to take into account the relative price changes between weight reference period and price reference period.

3. Objectives of Rebasing NCPI

The standard international practice for CPI compilation proposes includes updating of CPI weights at least once in every five years to ensure relevance of the index. It is evident that, significant social and economic changes have taken place since 2007 which might have shifted consumption pattern of households. For this reason rebasing of CPI weights ensures capturing the most current expenditure patterns of households which has an advantage of making the CPI more relevant and reliable.

4. Improvements Done During the Rebasing of NCPI

The rebasing exercise incorporated the following improvements:

- i). Expanded coverage of price data collection to newly created regions of Njombe, Katavi, Geita and Simiyu.
- ii). A new list of consumer goods and services for NCPI basket based on the most current consumption pattern of households
- iii). Improved NCPI basket coverage by adding more Elementary Aggregates (EAs)
- iv). A set of new weights for goods and services based on 2011/12 HBS
- v). Improved price data collection forms basing on improvements and changes made in the NCPI
- vi). Updated list of outlets based on the point of purchase from 2011/12 HBS
- vii). Updated CPI basket and weights for Dar es Salaam region which reflect expenditures in three categories of low, middle and high.
- viii). Redefined Underlying Index basing on the East African Community (EAC) recommendations by excluding items whose supply on the market are

significantly affected by the weather changes like food crops, utilities with administered prices and those controlled by the exogenous factors

- ix). New CPI compilation system to accommodate changes observed from 2011/12 HBS
- x). Use of expenditures recorded using recall approach to compute NCPI weights for durable goods, utilities and services expenditure instead of relying on diary only.
- xi). Increased compliance of NCPI weights with the Domestic concept
- xii). Improved computation of NCPI weights for insurance by using net premium average approach of three years from insurance companies instead of using gross premium approach.
- xiii). Develop product descriptions for second hand goods and data collection approach to have comparable data overtime instead of using prices for new goods only
- xiv). Use of the Geometric Mean of Price Relatives to calculate EA indices which has been recommended by EAC and SADC as the best approach to easily identify errors and inconsistencies during CPI compilation instead of Geometric Mean of Price Averages

5. Computation of NCPI Weights

The NCPI weights were computed using 2011/12 HBS as the main source of household expenditure data. The survey was conducted for the period of twelve months from October, 2011 to September, 2012 to ensure all annual seasonal variations of consumption pattern and income are captured. Where necessary, other data sources were used to complement the 2011/12 HBS data to have a reliable NCPI weights.

The concepts used during computation of NCPI weights using 2011/12 HBS does not vary much from the concepts used for the current NCPI weights. However, 2011/12 HBS improved the methodology of data collection for durables, some services and utilities by using a recall approach which could not be reflected properly using the diary approach. This approach aimed at improving data coverage and quality of the household expenditures for more expensive and infrequent item

purchases. Major concepts used during derivation of syntaxes and computation of NCPI weights are:-

5.1 Payments approach

Payment approach relates to the period of time when the actual payments for the product are made. This can differ from the period when it is acquired and/or when it is used. A CPI based on this approach will measure the change in the cost of purchasing a commodity over time. It should be noted that, own account production, own occupied houses and expenditures related to business are excluded.

5.2 Domestic Concept

This means that, the CPI should cover all the expenditures made within the domestic territory of the country, including those made by non-business foreign visitors but excluding the consumption of resident households outside the Country. Expenditures for foreign visitors in Tanzania were obtained from International Visitors' Exit Survey Reports conducted by the NBS in collaboration with the Bank of Tanzania, Ministry of National Resources and Tourism and Immigration Department on annual basis.

5.3 Plutocratic Approach

The plutocratic approach was used during computation of NCPI weights, in which more weight is given to high-spending households. The weighting regime based on plutocratic approach is more appropriate for CPI intended to be used as a measure for inflation.

5.4 Classification

In order to ensure coordination within the statistical systems and international comparability, NCPI basket of goods and Services continue using the recommended International Classification of Individual Consumption by Purpose (COICOP)

5.5 Geographical Coverage

It is recommended that, the geographical coverage of the CPI be as wide as possible to reflect the population it serves. NCPI weights were computed basing on household expenditures for both urban and rural areas from all regions.

6. Derivation of Syntaxes for NCPI Weights

Syntaxes were developed using Statistical Package for Social Sciences (SPSS) to capture household expenditures from recall and diary modules of the 2011/12 HBS. Since the recall and diary modules of the 2011/12 HBS had expenditures recorded using different reference periods, these expenditures were standardized into the same reference period of 365 days before being aggregated to regional levels. One syntax file was generated for each of the 12 divisions of COICOP, namely;

- i). Food and Non Alcoholic Beverages,
- ii). Alcoholic Beverages and Tobacco,
- iii). Clothing and Footwear,
- iv). Housing, Water, Electricity, Gas and Other Fuels,
- v). Furnishings, Household Equipment and Routine Maintenance of the House,
- vi). Health,
- vii). Transport,
- viii). Communication,
- ix). Recreation and Culture,
- x). Education,
- xi). Restaurants and Hotels,
- xii). Miscellaneous Goods and Services.

6.1 Treatment of Expenditures Reported Using both Recall and Diary Approach

Two major approaches were used to capture final household expenditures from the 2011/12 HBS. The 28 days diary was used to capture expenditures on food and semi durable products. In addition, recall approach was used to capture household expenditures on durable goods including utilities and some household services which could not be reflected properly using the diary approach. Basing on best recommended practices, expenditures for durable goods from the recall are to be used in compilation of CPI weights. However, different scenarios required different treatment as follows;

- i). It was observed that, a few expenditures on durable goods were recorded both in the diary and recall modules. Expenditures for durable goods from diary were included in weights

computations only if they were deemed to be correct than expenditures from recall approach.

- ii). Household expenditures on food products were only recorded using the diary approach; these were automatically included in NCPI weights computations.
- iii). A few household expenditures on non food items like alcoholic drinks were recorded in the food section of the diary; these expenditures were reclassified into correct COICOP class.
- iv). Household expenditures on non food items which were recorded only using a recall approach were automatically included in NCPI weight computation.
- v). It was also observed that, a few household expenditures on food items like pepper were recorded in the non food section of the diary; these expenditures were reclassified into correct COICOP class.
- vi). It was also observed that, few expenditures which involved obvious monetary transactions were captured as household own account production, these type of miscoding were also reclassified into the monetary transaction expenditures

6.2 Inclusion of Foreign Visitors Expenditures

In order to align the NCPI weight with the domestic concept, a -three -year average of non business expenditures of foreign visitors who visited Tanzania between 2010 and 2012 were included in NCPI weight calculations. These expenditures were derived from the International Visitors' Exit Survey Reports conducted by the NBS in collaboration with the Bank of Tanzania, Ministry of National Resources and Tourism and Immigration Department. A three year average of expenditure was used because of markedly huge variations of individual year expenditures.

The expenditures from the International Visitors' Exit Survey Reports were classified into 17 major groups namely:- Hotel Accommodation, Other Accommodation, Food and Drinks, Air Transport, Road Transport, Water Transport, Rail Transport, Rental Transport, Shopping, Sight Seeing, Gate Fee, Cultural Service, Sports, Mountain Climb, Hunting, Visa Taxes and Other. These expenditures were reallocated into respective COICOP classes as follows:

Table 1: Reallocation of Tourist Expenditures into Respective COICO Classes

S/n	Tourist Expenditure Groups	COICOP Codes	COICOP Class
1.	Hotel Accommodation	11.2.1.1	Accommodation services
2.	Other Accommodation	11.2.1.1	Accommodation services
3.	Food Drink	11.1.1.1	Restaurants
4.	Air Transport	07.3.3.1	Passenger transport by air
5.	Road Transport	07.3.2.1	Passenger transport by road
6.	Water Transport	07.3.4.1	Passenger transport by sea and inland waterway
7.	Rail Transport	07.3.1.1	Passenger transport by railway
8.	Rental Transport	07.3.2.1	Passenger transport by road
9.	Shopping		Excluded due to difficult in product specification and means of data collection to have like to like comparison on monthly basis
10.	Sight Seeing	09.4.2.2	Museums, zoological gardens and the like
11.	Gate Fee	09.4.2.2	Museums, zoological gardens and the like
12.	Cultural Service	09.4.2.1	Cinemas, theatres, concerts
13.	Sports	09.4.1.1	Recreational and sporting services
14.	Mountain Climb	09.4.2.2	Museums, zoological gardens and the like
15.	Hunting	-	Excluded according to ILO manual
16.	Visa Taxes	12.7.1.1	Other services n.e.c.
17.	Other	09.4.2.4	Other services

6.3 Package holidays

Package holiday is a package which combines two or more travel elements which cannot easily be separated. Typically the elements will comprise transport, accommodation, meals and recreational services.

To comply with the Domestic Concept, a module of questions for household members who went for holiday was included during the survey design for 2011/12 HBS. This module provided expenditure in seven major groups of Food and drinks, Accommodation alone, Transport, Shopping, Recreational activities and other expenditures apart from the specified groups.

Note: After thorough discussion with the AfDB CPI Expert basing on how questions were asked during data collection, it was decided not to include this class into the new NCPI. Expenditures for food and drinks and accommodation collected using this module were reallocated to restaurants and accommodations in COICOP division 11. Expenditures for other groups were excluded to avoid double count because could have been captured using the diary approach.

6.4 Treatment of Expenditure on Vehicle Insurance

Traditionally, HBS does not provide reliable data on expenditure for motor vehicles insurance services. For this reason, it is recommended to use a three year average expenditure from insurance companies in computation of insurance weights to be used in CPI.

For that, reason, NBS obtained insurance data for three years from 2009 – 2011 from Tanzania Insurance Regulatory Authority (TIRA) to facilitate the computation of net premium insurance expenditures for CPI weights. However, there were two main challenges on the implementation of the recommended best practice using TIRA data;

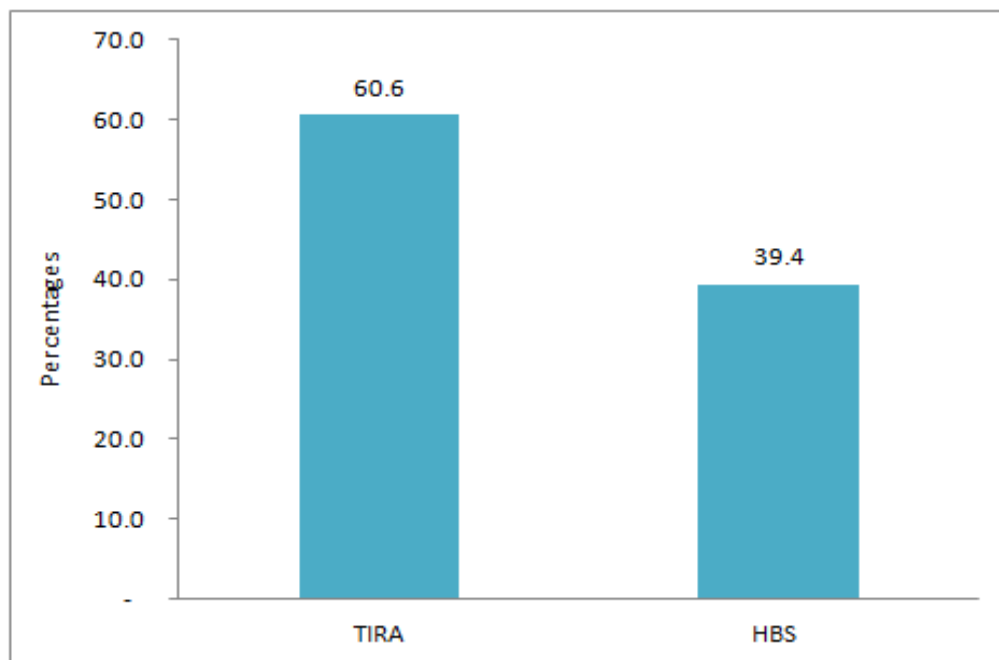
- (i) Insurance data obtained from TIRA does not separate between business vehicles and final household consumption. It is obvious that, share of insured vehicles for business purposes which is out of the scope of CPI is higher than the vehicles used for final household consumption. The higher share of business part may bias the CPI into unnecessary upward trend.
- (ii) Data from TIRA was aggregated at National level while CPI requires data disaggregated by region

During computation, it was observed that, net insurance expenditures for vehicles obtained from TIRA were almost twice as much as the gross expenditures obtained from the 2011/12 HBS.

This justifies the impact of upwards bias of the higher share of business vehicles insurance included in the TIRA data.

Note: Basing on those limitations and after thorough discussion with the AfDB CPI Expert, NBS decided to continue using the gross insurance expenditures for vehicles from 2011/12 HBS in computation of CPI weight which is much better to rely than the TIRA data.

Figure 1: Share of Net Gross Premium Expenditures from TIRA Compared to Gross Premium Expenditure from 2011/12 HBS Data in Percentages



In addition, NBS follows the best standard international practice on insurance treatment during data collection by using the gross premiums of specified vehicles on monthly basis as a proxy for price trend.

6.5 Treatment of Expenditure on Health Insurance

Health insurance is treated using the similar approach as vehicle insurance during computation of CPI weights whereby, only service charges are included. Since health insurance is directly

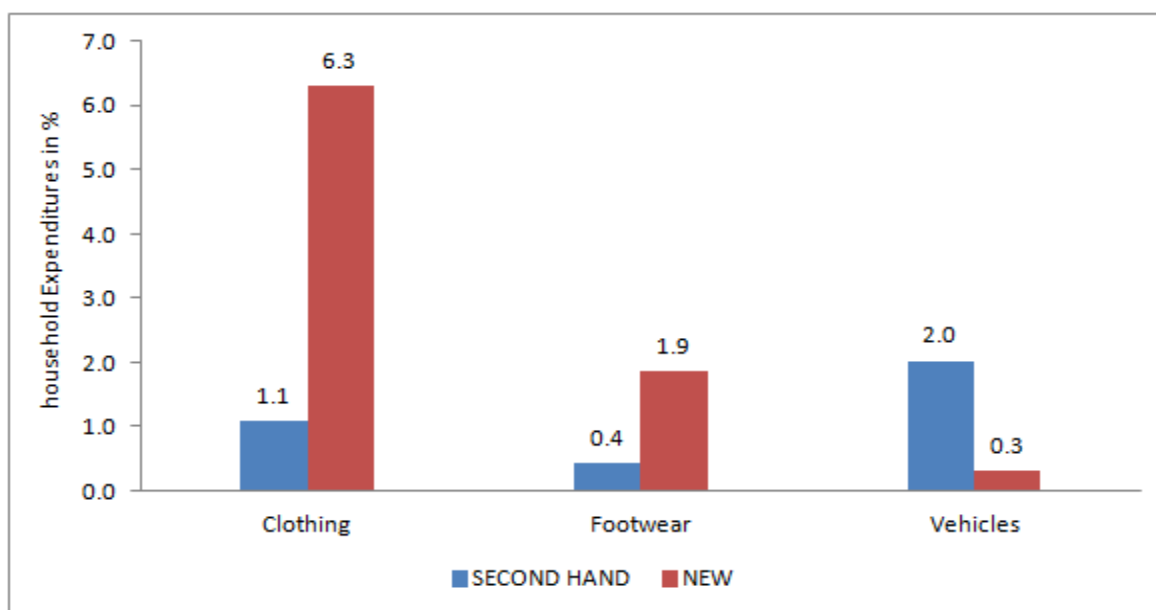
consumed by households and there is no possibility of business part, net gross premium approach was used using the TIRA data to compute CPI weights.

Note: Since there was no regional data from TIRA, share of regional population to National Population was used to reallocate health insurance expenditures across regions. The underlying assumption is that, population growth has high correlation coefficient to household expenditures.

6.6 Treatment of Expenditure on Second Hand Goods

Important household expenditures on second hand goods which are included in NCPI weights are expenditure on purchases of transport facilities, clothing and footwear. Household expenditure on second hand vehicles has proved to be more important to households when compared with the new vehicles than clothing and footwear.

Figure 2: Percentage Shares of Second Hand and New Bought Goods to Total Household Expenditures from 2011/12 HBS



Basing on the important of second hand vehicles in households, NBS formed a separate Elementary Aggregate for second hand vehicles in the COICOP and planned for a separate

monthly data collection. However, minor expenditure on other second hand transport facilities like bicycles and motorbikes were augmented to expenditures on corresponding new items.

It is recommended that, net approach (sales minus purchases) should be used during computation of CPI weights for second hands goods but in practice it remains a challenge in most of African Countries including Tanzania. Among the challenges faced during computation of CPI weights for second hand goods includes the following:-

- i). Obtaining the reliable data on supply side including identification of the supply chain to final consumers and estimation of the dealer's margin for second hands goods.
- ii). 2011/12 HBS data provides detailed final household expenditures on second hand goods only leaving the income part recorded in a more aggregate form which could not be separated into type of products, new and second hands goods.
- iii). It was not possible to separate and exclude purchases from 2011/12 HBS data made abroad via the internet particularly for second hand vehicles to comply with the domestic concept.

Note: Basing on those challenges and in consultation with the AfDB CPI Expert, NBS used a gross expenditures obtained from the 2011/12 HBS in computation of CPI weights for second hand goods. However, basing on country experience, most of household purchases their second hands goods directly from dealers, this minimize the possibility of double count if there were significant number of households purchasing second hand goods from other households and resale them to households via dealers.

6.7 Correcting for Possible under Coverage

Traditionally, HBS has been understating certain type of household expenditures like soft drinks, alcoholic drinks, tobacco and accommodation in guest houses. In order to guard against possible underestimate of certain household expenditures, it is recommended alternative sources of information to be used. Thus, multiple recommended data sources have been used for computation of NCPI weights to complement the 2011/12 HBS data. These alternative sources of information includes; import and export data from Tanzania Revenue Authority (TRA),

health and vehicle insurance data from TIRA, Trade Statistics , domestic production data from National Annual Economic Survey report, 2012 and National Accounts (NA) data.

Household expenditures which were understated from 2011/12 HBS and adjusted were expenditures on soft drinks, alcoholic drinks, tobacco; and restaurant. Table number two below shows computation of adjusting factors and the assumptions made.

Table 2: Computation of Adjustment Factors to 2011/12 HBS data on Selected Commodities - TZS Billions

S/N	Commodity for Adjustment	Total supply domestic produced - 2011/12	Total supply domestic produced - 2012 - Adjusted	Imports	Exports	Total supply, to be consumed, purchasers prices	2011/12 HBS DATA	Adj. Factor
		Col (1)	Col (2) = Col (1) - Col (1) *0.10	Col (3)	Col (4)	Col (5) = Col (2) + Col (3) - Col (4)	Col (6)	Col (7) = Col (5)/Col (6)
1	Beer	901,644.1	811,479.7	1,086.9	0.3	812,566.3	16,713.2	48.6
2	Cigarettes	1,011,284.7	910,156.2	29,704.6	348,061.8	591,799.0	62,640.4	9.4
3	Wine	2,042.4	1,838.2	14,742.2	362.8	16,217.5	457.4	35.5
4	Soft Drinks	617,654.9	617,654.9	26,906.2	7,207.4	637,353.7	95,008.0	6.7
5	Hotels	1,010,598.0	815,240.5	-	-	815,240.5	55.3	14,735.1

During computation of Adjusting factors, it was assumed that, 10% of the total domestic turnover subjected to VAT remained in stock for all selected commodities except for hotels. Column two Col (2) shows the adjusted turnover after excluding the 10% in stock estimation. Hotels were treated differently whereby, proportional share of own account consumption was computed from 2011/12 HBS data and applied to the reported total turnover to comply with the final household monetary consumption concept of NCPI. The adjusted total turnover for hotels is shown in Colum two Col (2). Total supply to be consumed was computed by adding the adjusted total turnover subjected to VAT with total imports and excluding exports as shown in column five Col (5). Finally adjusting factor Col (7) was computed for all commodities by

finding a ratio of total supply to be consumed (Purchasers price) Col (5) to 2011/12 HBS data and applied to respective 2011/12 HBS data Col (6) in all regions.

In addition, some questions used during 2011/12 HBS data collection could not separate expenditures for gift which is out of CPI scope and the final household consumption. In this situation, a proportional share of expenditures used as gift reported on other non food items were used as a proxy to adjust the aggregate expenditures for final household expenditures and gift.

6.8 Expansion of NCPI to New Administrative Regions

Since the 2011/12 HBS was conducted in the conventional 21 regions of Tanzania Mainland, reorganization of household expenditures from Iringa, Rukwa, Shinyanga, Kagera and Mwanza regions was carried out into new administrative regions of Njombe, Katavi, Simiyu and Geita. Basing on that, the rebased NCPI will reflect all 25 regions of Tanzania mainland.

6.9 Excluded Expenditures

Basing on the recommendations from ILO CPI manual, Technical Guide on Producing CPI and EAC Regulations for compilation of HCPI, the following expenditures were excluded during computation of NCPI weights though was captured during 2011/12 HBS:-

- i). Narcotics
- ii). Imputed rents for owner-occupied dwellings
- iii). Imputed own account production
- iv). Gambling
- v). Prostitution
- vi). Life insurance
- vii). Financial intermediation services indirectly measured (FISIM)
- viii). Subscriptions to Non-Profit Institutions Serving Households (NPISH), such as trade unions, Professional societies, consumers' associations, churches, and social, recreational or sports clubs (unless they can be considered as payments for services rendered);
- ix). Voluntary contributions by households to charities, relief and aid organizations;
- x). Payments of property income;

- xi). Compulsory or voluntary social contributions, whether private or governmental;
- xii). Contributions to pension funds;
- xiii). Fines and penalties (e.g. by courts of justice or tax authorities);
- xiv). Taxes on income or wealth and
- xv). Local or municipal taxes.

7. New NCPI basket and New Weights from 2011/12 HBS

7.1 Selection of Goods and Services

The New NCPI basket of goods and services were selected basing on the following factors:-

- i). The cut off point for inclusion of an item into NCPI basket of goods and services was 0.01%. This means that, any item which had a proportional share of 0.01% or above to total household expenditures were included into the NCPI basket.
Expenditures for unselected items were reallocated into the selected items within the same COICOP class using prorata approach.
- ii). Basing on country experience, the selected commodities should be readily available on market.
- iii). The commodity is expected to stay on the market for the entire life span of the CPI
- iv). The commodity should be a consumer good
- v). The selected commodities should have a specific quality and quantity.

7.2 Redistribution of Household Expenditures for Items which Did not Meet the Inclusion Criteria and other special treatments

Household Expenditures on items which did not meet the criteria to be included into the new NCPI basket were redistributed to representative items with the same COICOP class level. The following criterions were used during the reallocation of unselected items:-

- i). Expenditures for unselected items were redistributed to the same COICOP sub class
- ii). Items which does not meet criterion for selection but it was the only item in the sub class were automatically included in the NCPI basket with exceptions for those deemed difficult to collect prices eg. Fumigation and repair of household glass wear,

- paramedical, physiotherapist, remedial gymnastics, acupuncture, curettage, pets and related products etc.
- iii). Items which met the criterion but difficult to collect prices due to its complex nature of product description its expenditures were also redistributed, eg. handkerchiefs
 - iv). Items which expenditures were reported in aggregated level were also redistributed with the same class eg. Readymade clothes, other articles and clothing accessories, etc.
 - v). Share of regional population was used to reallocate National Expenditures for Tourists to specific regions
 - vi). Since household expenditure was collection in the region of residence and not where the expenditures was made, some few household happen to have expenditures for items which are not available in their regions. For instance, it is well known that, there are few regions with outlets for new vehicles in Tanzania but, some regions which do not have outlets for this product reported the expenditure. In this situation, consultation was done with Regional Statistical Managers to confirm if there are recently outlets for new vehicles in those regions, otherwise; share of regional population was used to reallocate household expenditures for new vehicles from those regions to other regions where the particular items is available in the market.

7.3 Classification of Goods and Services for new NCPI

The new NCPI follows the recommended International Classification of Individual Consumption by Purpose (COICOP). The same classification was used in the current NCPI. The COICOP structure is a hierarchical order where the household expenditures are classified from Division level to Class and Sub Class level. The standard COICOP structure has 12 divisions, 47 groups, 117 classes and 197 sub classes. An Elementary Aggregates (EAs) is the lowest aggregate level for which reliable expenditure data is available and used for computation of NCPI. The level below the EAs is the varieties where actual prices are assigned for NCPI compilation. It should be noted that, items at elementary aggregate and variety level are country specific.

7.4 New NCPI basket of Goods and Services from 2011/12 HBS

A total of 403 items (55.4%) out of 727 items reported in 2011/12 HBS qualified to be included into NCPI basket of goods and services basing on the 0.01% threshold criteria. In aggregate

form, there are 12 Divisions, 41 groups, 93 classes and 154 sub classes which qualified to be included into the new NCPI basket. In addition, there are 278 Elementary Aggregates and 336 item varieties selected in the new CPI basket of goods and services.

Table 3: Summary of Standard COICOP Structure, Selected New CPI Basket and the Old CPI structure

Major Categories	Standard Structure	Selected – New CPI basket	Difference	Old CPI basket	Difference
	Col (1)	Col (2)	Col (3) = Col (1) – Col (2)	Col (4)	Col (5) = Col (2) – Col (4)
Divisions	12	12	0	12	0
Groups	47	41	6	33	8
Classes	117	93	24	63	30
Sub Classes	197	154	43	95	59
Elementary Aggregates (EAs)		278		224	54
Varieties		336		262	74

It should be noted that, all Divisions stated in the master COICOP are covered in the selected NCPI basket and more than 80% of the recommended groups in the COICOP are included into the New CPI basket compared to 70.2% groups covered in the old basket. In addition, New CPI basket includes 79.5% and 78.2% of the classes and Subclasses recommended in the COICOP compared to 53.8% and 48.2% which were included in the old basket.

The coverage for new NCPI basket has been improved to have 8 more groups, 30 more classes, 59 more sub classes and extra 54 items at EAs compared to the old CPI Basket. In addition, Item varieties have been expanded to 336 item varieties in the new NCPI basket compared to 262 varieties in the old NCPI basket. There is an increase of 74 item varieties in the new NCPI basket. List of selected new NCPI basket, additional groups, Classes, EAs in the new CPI basket and list of dropped items from the old NCPI basket are as shown in *Annex 2 to 7*.

7.5 Updating of the 2011/12 HBS Expenditure into Price Reference Period

NBS updated the 2011/12 HBS expenditures from the period over which the survey was carried out, October, 2011-September, 2012 to December, 2015 the reference month for the 2016 NCPI to take into account the relative price changes between the two periods. This approach is also important to ensure a common reference period for both sources to comply with the Laspeyres formula type used in compilation of NCPI.

The index data from the current NCPI for December, 2015 were used in updating the new NCPI weights. New items which had no corresponding indices in the current NCPI, similar item indices in the same COICOP class or group were used to update the weights. In addition, the new NCPI basket of goods and services corresponds to six-digit expenditure weights in 25 regions and in three indices by expenditure groups for Dar es Salaam which are low, middle and high. Number of items differs by region and expenditure groups for Dar es Salaam. The current NCPI has indices for 21 regions and three Dar es Salaam indices by expenditure groups. Since the regional indices are not representative and there are four new regions, and since the composition of the indices for expenditure groups has changed, it was decided that all regional expenditures from 2011/12 HBS to be updated using the National Level NCPI.

Table 4: New CPI Weights from 2011/12 HBS updated to December, 2015

COICOP Codes	Product Descriptions	Current NCPI Weight (2007 HBS)	New NCPI Weight (2011/12 HBS)
00	All Items	100	100
01	Food and non-alcoholic beverages	47.8	38.5
02	Alcoholic beverages and tobacco	3.3	3.7
03	Clothing and footwear	6.7	8.3
04	Housing, water, electricity, gas and other fuels	9.2	11.6
05	Furnishings, household equipment and routine household maintenance	6.7	6.3
06	Health	0.9	2.9
07	Transport	9.5	12.5
08	Communication	2.1	5.6
09	Recreation and culture	1.3	1.6
10	Education	1.7	1.5
11	Restaurants and hotels	6.4	4.2
12	Miscellaneous goods and services	4.5	3.1

Table number four above shows the proportion of household expenditures to total final household expenditures by 12 divisions of COICOP. Although direct comparison for these shares cannot be done due to improved methodology used in 2011/12 HBS compared to 2007 HBS, but it gives a proxy estimate of the current consumption pattern shifts between the two periods. Results reveal that, household expenditure on food and non alcoholic drinks have decreased significantly to 38.5 percent in 2011/12 from 47.8 percent reported in 2007 HBS. As a result of less expenditure on food items, households have almost double their expenditure in communications where they spend 5.6 percent of their total final household expenditure in 2011/12 from 2.1 percent in 2007. Another division with the higher proportion is transportation with 12.5 percent in 2011/12 compared with 9.5 percent recorded in 2007.

The remaining divisions have less than 2.4 percentage point difference change except for Housing, Water, Electricity, Gas and Other fuels which have increased to 11.6 percent in 2011/12 from 9.2 percent in 2007.

It should be noted that, despite the decreasing expenditure share of food and non alcoholic beverages in 2011/12 compared to 2007 HBS data, but this division still hold the lion share in the new NCPI. The second and third divisions with the higher shares are Transport and Housing, Water, Electricity, Gas and Other fuels with 12.5 percent and 11.6 percent respectively. Education has the least share with 1.5 percent indicating that, households spend less in education than other goods and services. This phenomenon may be attributed to the subsidies provided to education service from the Government.

Additionally, increased share of household expenditure on health services to 2.9 percent in 2011/12 from 0.9 percent in 2007 may indicate the increasing demand of private health services compared to public health services which are subsidized.

8. Development of Dar es Salaam CPI Basket of Goods and Services for Low, Middle and High Expenditure Groups

The NBS compiles different types on consumer indices to serve for a wider group of users. Among the special consumer index compiled and disseminated is the Dar es Salaam index which is categorized into three different groups of expenditures for low, middle and high. This index is useful in assessing the price movement of goods and services for different expenditures groups to facilitate monetary policy monitoring and development.

All procedures used to derive NCPI basket was used to update the Dar es Salaam CPI basket for high, middle and low groups of expenditures. Moreover, percentile methodology was used to objectively identify the threshold level of household expenditure and number of households for the three separate expenditure groups for low, middle and high category. The following is the detailed methodology used to demarcate 2011/12 household expenditures into low, middle and high categories: -

- i). Since the aim was to obtain average household total expenditures in five percentiles, total number of households in DSM was divided by 20 to obtain the number of households in each percentile. ie. $3015/20 = 151$
- ii). The dataset was sorted in ascending order using the total household expenditures (ALL_DIVISION_TOTAL)

- iii). A new variable (break_variable) was created and assigned unique value (1-20) for all 20 groups of 5 percentiles containing 151 households per each percentile
- iv). Compute an average total household expenditure for each break_variable value (1-20)
- v). Generate separate table showing average total household expenditure for each break_variable value (1-20)
- vi). Identification of the Break Values Using the Annual Average Household Expenditures

Table 5: Average Total Household Expenditure per Percentiles, 2011/12 HBS

Percentiles (Col 1)	Mean Annual Household Expenditures (Col 2)	Annual Average Expenditures Per Person (Col 3 = Col 2 / 4.8)	Monthly Average Personal Expenditure (Col 4 =(Col 2 / 12) / 4.8)	Average Break Points of Household Expenditures (Col 5)
1	43,6650	90,969	7,581	2,095,931.31
2	837,171	174,411	14,534	
3	1,164,535	242,612	20,218	
4	1,527,183	318,163	26,514	
5	1,835,343	382,363	31,864	
6	2,115,228	440,673	36,723	
7	2,356,520	490,942	40,912	
8	2,576,333	536,736	44,728	5,670,957.53
9	2,822,304	587,980	48,998	
10	3,064,013	638,336	53,195	
11	3,337,256	695,262	57,938	
12	3,611,654	752,428	62,702	
13	3,944,130	821,694	68,474	
14	4,313,250	898,594	74,883	
15	4,749,753	989,532	82,461	
16	5,284,186	1,100,872	91,739	5,670,957.53
17	6,057,729	1,262,027	105,169	
18	7,333,148	1,527,739	127,312	
19	10,239,382	2,133,204	177,767	
20	30,238,204	6,299,626	524,969	
Household size from 2011/12 HBS			4.8	
Basic poverty line from 2011/12 HBS (TZS)			36,482	

The pattern of annual average household expenditures was examined using the annual average expenditure per person (Col 3) by dividing mean annual household expenditure (Col 2) by 4.8 which is the average household size revealed in the 2011/12 HBS report. Using this criterion, the break points were clearly observed at 7th and 16th percentiles in (Col 1) with TZS 490,942 and TZS

1,100,872 in (Col 3) which can be explained that, all households with annual average expenditures TZS 2,356,520 or below in (Col 2) can be grouped into low expenditure stratum and households with annual average expenditures of TZS 5,284,186 or above in (Col 2) can be classified into high expenditure stratum. The remaining group ranging between TZS 2,356,520 and 5,284,186 in (Col 2) can be to be grouped as middle expenditure stratum.

Furthermore, investigation was done to identify households with monthly average personal expenditures (Col 4) which is less than the monthly basic poverty line of TZS 36,482 as stipulated in the 2011/12 HBS results. Break points using this approach were very close to the previous approach of annual average expenditure per person (Col 3). The lower and higher breaks were identified at 5th and 17th percentiles with TZS 31,864 and TZS 105,169 in (Col 4). This indicates that, households with annual expenditures of TZS 1,835,343 in (Col 2) or below can be classified under the low expenditure stratum and households with expenditures of TZS 6,057,729 in (Col 2) or above can be classified under high expenditure stratum. The remaining households earning between TZS, 1,835,343 in (Col 2) and TZS 6,057,729 in (Col 2) can be classified under middle expenditure stratum.

Since both approaches revealed the precise estimates, thresholds for demarcations of Dar es Salaam households for low, middle and high expenditure categories were computed as the average of the annual household expenditure identified using both approaches. Thus, households falling below annual average expenditures of TZS 2,356,520 and TZS 1,835,343 in (Col 2) which is TZS 2,095,931.30826238 in (Col 5) were classified as low expenditure stratum. Households with annual average expenditures of TZS 5,284,186 and TZS 6,057,729 in (Col 2) which is TZS 5,670,957.53190389 in (Col 5) were classified into high expenditure stratum. Households with annual average expenditures higher than TZS 2,095,931.30826238 in (Col 5) but less than TZS 5,670,957.53190389 in (Col 5) qualified for inclusion in the middle expenditure stratum.

vii). A new variable (DSM_STRATUM) was created with values 1, 2 and 3. Value 1 corresponded to households which qualified to be included into low income earners stratum with total annual expenditure less than TZS 2,095,931.30826238. Value 2 of DSM_STRATUM corresponded to households which qualified to be included into middle stratum with expenditures greater than TZS 2,095,931.30826238 but less than TZS

5,670,957.53190389. The value 3 corresponded to households which had total annual expenditure greater than TZS 5,670,957.53190389 and were classified into high income earner stratum.

- viii). The variable (DSM_STRATUM) was applied into every section of 2011/12 HBS to identify the three strata of expenditures for low, middle and high in DSM CPI basket

Generally, the bottom 30 percent of households by total expenditures formed the low expenditure group in Dar es Salaam, the middle 50 percent of households by total expenditures formed the middle expenditure group and the top 20 percent of households by total expenditures formed the high expenditure group in Dar es Salaam.

Table 6: Dar es Salaam New CPI Weights by Expenditure Categories of Low, Middle and High. Source 2011/12 HBS updated to December, 2015, Classification: COICOP

COICOP Codes	Product Descriptions	Proportions of Household Expenditure by Categories (%)					
		DSM Low	DSM Middle	DSM High	DSM Total	Other Urban Areas	National
00	All Items	2.9	10.9	12.3	26.1	73.9	100.0
01	Food and non-alcoholic beverages	1.1	4.0	2.7	7.7	30.8	38.5
02	Alcoholic beverages and tobacco	0.0	0.3	0.4	0.7	3.0	3.7
03	Clothing and footwear	0.1	0.7	0.6	1.5	6.9	8.3
04	Housing, water, electricity, gas and other fuels	0.4	1.6	1.6	3.6	8.1	11.6
05	Furnishings, household equipment and routine household maintenance	0.1	0.5	0.7	1.3	5.0	6.3
06	Health	0.0	0.2	0.2	0.5	2.4	2.9
07	Transport	0.2	1.0	3.5	4.6	7.9	12.5
08	Communication	0.3	0.8	0.7	1.8	3.9	5.6
09	Recreation and culture	0.0	0.2	0.3	0.5	1.1	1.6
10	Education	0.0	0.1	0.4	0.5	1.0	1.5
11	Restaurants and hotels	0.4	1.4	0.8	2.6	1.6	4.2
12	Miscellaneous goods and services	0.1	0.3	0.4	0.8	2.3	3.1

Table six above shows the distribution of total household expenditure by major geographical consumption domains. Results reveal that, more than quarter of total household expenditures (26.1 percent) are in Dar es Salaam. In addition, the top 20 percent of Dar es Salaam households

by total expenditure (high expenditures group) have the higher household consumption proportions (12.3 percent) compared to the 50 percent of households by total expenditure (middle expenditure group) with 10.9 percent and the bottom 30 percent of households by total expenditure (low expenditure group) at 2.9 percent. Furthermore, consumption pattern across expenditure categories and COICOP divisions have the similar behavior observed at NCPI.

9. Product description for Second hand goods

Product descriptions for second hand goods and data collection approaches was a challenge to ensure comparable data overtime. Basing on other country experience collecting prices for second hand goods like Uganda, NBS decided to use whole sale prices for consistency during the comparison over time. Price determining characteristics were identified for second hand vehicles, clothing and footwear. The following price determining characteristics were used:

Table 7: Product Descriptions for Second Hand Goods

Product name	Price determining characteristics	Outlet type
Second hand vehicles	i). Use Petrol ii). Saloon car purchase in good condition for private use, iii). Engine capacity iv). Brand v). Country of origin vi). Year of manufacture vii). Age and viii). Millage	Show rooms
Second hand clothes and footwear	i). Packed in one bale, ii). Country of origin iii). Type of clothes or footwear (eg. Shirts, trousers etc.)	Wholes sales

10. Development of NCPI Manuals and Review of Data Collection Forms

Data collection manual for NCPI were developed basing on the guidelines provided in the ILO CPI manual, practical guide for producing CPI, literature review from other countries and country experience. The manual covered in detail the background information and purpose of NCPI, classification and the structure of the new NCPI basket of goods and services, price collection and field work instruction, outlet selection techniques, management and substitution and; the revised price collection forms. The NCPI manual and data collection forms can be accessed at NBS website.

11. Refresher Training to Regional Statistical Managers and Data Collectors

Normally, during the rebasing of NCPI several major changes in the modalities of NCPI compilation are introduced. These changes includes introduction of a new weights and basket of goods and services which reflects the most current consumption pattern; expansion of coverage to include newly created administrative regions (if any); improve the methodology for NCPI compilation; improvement in CPI data collection forms, dissemination templates and several other changes.

In order to ensure data collected for the rebased NCPI are of reasonable quality, NBS conducted refresher training to Regional Statistical Managers (RSMs) and data collectors. The RSMs are primarily responsible for supervision of monthly NCPI data collection in their respective regions. The training was conducted at East African Statistical Training Centre (EASTC) from 26th September to 1st October, 2015. The training provided a forum for discussing major changes in NCPI process with RSMs and data collectors as a result of rebasing exercise.

12. Data collection for Base Prices

The New NCPI uses December, 2015 as the base price period and expenditure shares are derived from 2011/12 household budget survey (HBS). However, NBS started data collection using new basket of goods and service from November, 2015 to study the availability of new products and outlets in regions before collecting the final base prices in December, 2015. Prices for November, 2015 were used to update the list of outlets, update data collection forms and redistribute some of

household expenditures which were found not available permanently in regions to similar items within the COICOP classes. It should be noted that, not all items qualified to be included into regional CPI basket are available in regional market due to the domestic concept used during data collection for 2011/12 HBS. The domestic concept ensures that, if a household member lives in one region but does some of shopping in a neighboring region, expenditures were recorded in the region of residence.

13. Review of the CPI Compilation Software

Review of the CPI compilation software during the major review of NCPI is among the Quality Management System procedures conducted by NBS after every five years. The current software lacks flexibility and easy to use features to detect and correct errors. It is very expensive to maintain and modify whenever there are minor adjustments in CPI compilation procedures. Thus, the current software has been revised to ensure compliance with the CPI compilation methodologies which will be easy to use, maintain, flexible and portable. Among others, the revised software meets the following objectives:-

- i). Import price data for all items in the CPI basket of goods and services from all selected outlets in 25 regions and store them in the database for further calculations.
- ii). Perform price data validation using validation tool at various levels of compilation to maintain consistence and quality
- iii). Import and assign CPI weights at item level and redistribute the weights to all classes, groups and divisions automatically according to COICOP
- iv). Impute missing prices basing on the Class Mean Imputation method
- v). Compute CPI for National CPI, Harmonized CPI for SADC and EAC in an integrated manner basing on given requirement from Elementary Aggregates Indices to Higher Level Indices.
- vi). Facilitate storage and retrieving of the CPI output for further calculations.
- vii). The software is flexible to be modified basing on technological changes or CPI requirements. e.g. Removing or adding a product in the existing CPI basket and creating new input files.

- viii). The software obeys conformity rule with other applications
- ix). The software is designed to provide easy to use interface, easy to learn, operated efficiently and provide outputs basing on the given standards.
- x). The software is iterative with the embedded help module

14. Linking of the Current NCPI to the New NCPI

The current NCPI has been linked to the revised NCPI in December, 2015 using December, 2015 as the link month. In other words, the current index with 2007 HBS weights and September, 2010 as a price reference base is the official index until December, 2015. However, starting from January, 2016 the official NCPI has new weights derived from the 2011/12 HBS and new reference base prices of December, 2015.

In order to have a long-term index series with the same reference base, it was necessary to link the two index series. The current index was linked to the new index using the reference base of December 2015=100. This was done by dividing each index number in the historical series for the current index by the index value for December, 2015. The resulting index series is the current index with a reference base of December, 2015=100. This index series can be combined with the new index series to obtain the long-term index series with the reference base of December, 2015=100. The two series are spliced in December, 2015 where both series for that month have a price index equal to 100.

It is important to note that none of the historical index data are lost by this linking process. Previous index to December, 2015 in the linked series have a real base (or a weight base) derived from the 2007 HBS. All of the percentage changes derived from this part of the linked series are the same as the percent changes derived from the current NCPI.

15. Dissemination of the new NCPI

The publication format for NCPI has been improved to provide more information to users. Additional information in the new format includes the new indices for Total Dar es Salaam disaggregated into low, middle and high expenditure categories, Combined Other Urban Areas

index, core and non-core index. The publication also presents the indices by two digit COICOP divisions and additional detail for the ten major groups of the two digit COICOP division for food and non-alcoholic beverages.

16. Annexes

Annex 1: Selected New CPI Basket from 2011/12 HBS

LEVEL	DIV	GROUP	CLASS	SUB-CLASS	EA	PARTICULARS
1	01	1.1	01.1.1			ALL ITEMS
2						FOOD AND NON-ALCOHOLIC BEVERAGES
3						FOOD
4						Bread and cereals
5				01.1.1.1		Rice
6					01.1.1.1.01	Rice
5				01.1.1.2		Bread
6					01.1.1.2.01	Bread
5				01.1.1.3		Pasta products
6					01.1.1.3.01	Spaghetti
5				01.1.1.4		Pastry-cook products
6					01.1.1.4.01	Cake
5				01.1.1.5		Other products
6					01.1.1.5.01	White Maize grains
6					01.1.1.5.02	Maize Flour White
6					01.1.1.5.03	Wheat Flour
6					01.1.1.5.06	Sorghum, grain
6					01.1.1.5.07	Sorghum, flour
6					01.1.1.5.10	Cassava flour
6					01.1.1.5.11	Cornflakes
4			01.1.2			Meat
5					01.1.2.1	Fresh, chilled or frozen meat of bovine animals
6					01.1.2.1.01	Beef with bones
6					01.1.2.1.02	Beef without bones(Steak)
6					01.1.2.1.03	Minced meat
5					01.1.2.2	Fresh, chilled or frozen meat of swine
6					01.1.2.2.01	Pork meat
5					01.1.2.3	Fresh, chilled or frozen meat of sheep and goat
6					01.1.2.3.01	Goat meat
5					01.1.2.4	Fresh, chilled or frozen meat of poultry
6					01.1.2.4.01	Industrially - Frozen chicken
6					01.1.2.4.02	Traditionally - Frozen chicken
6					01.1.2.4.03	Industrially bred live chicken
6					01.1.2.4.04	Traditionally bred live chicken
5					01.1.2.5	Dried, salted or smoked meat and edible meat offal
6					01.1.2.5.01	Beef Liver
6					01.1.2.5.02	Cattle intestine (Utumbo wa ng'ombe)
6					01.1.2.5.03	Sausages

5			01.1.2.6	Other preserved or processed meat and meat preparations
6			01.1.2.6.01	Canned meat
5			01.1.2.7	Other fresh, chilled or frozen edible meat
6			01.1.2.7.01	Live Goat
4	01.1.3			Fish and Sea Food
5			01.1.3.1	Fresh, chilled or frozen fish
6			01.1.3.1.01	Fresh Fish
5			01.1.3.3	Dried, smoked or salted fish and seafood
6			01.1.3.3.02	Dried sardines
4	01.1.4			Milk, cheese and eggs
5			01.1.4.1	Whole milk
6			01.1.4.1.01	Fresh cow milk
5			01.1.4.3	Preserved milk
6			01.1.4.3.01	Powdered milk (NIDO)
5			01.1.4.4	Yoghurt
6			01.1.4.4.01	Yoghurt
5			01.1.4.6	Other milk products
6			01.1.4.6.01	Clotted milk
5			01.1.4.7	Egg and egg-based products
6			01.1.4.7.01	Eggs
4	01.1.5			Oils and fat
5			01.1.5.1	Butter
6			01.1.5.1.01	Butter
5			01.1.5.2	Margarine and other vegetable fats
6			01.1.5.2.01	Margarine (Tan Bond)
5			01.1.5.4	Other edible oils and fats
6			01.1.5.4.01	Sunflower oil
6			01.1.5.4.02	Cottonseed oil
6			01.1.5.4.03	Sesame oil
4	01.1.6			Fruits
5			01.1.6.1	Citrus fruits (fresh, chilled or frozen)
6			01.1.6.1.01	Oranges
6			01.1.6.1.02	limes
5			01.1.6.2	Bananas (fresh, chilled or frozen)
6			01.1.6.2.01	Bananas (fresh, chilled or frozen)
5			01.1.6.3	Apples (fresh, chilled or frozen)
6			01.1.6.3.01	Apples (fresh, chilled or frozen)
5			01.1.6.5	Stone fruits (fresh, chilled or frozen)
6			01.1.6.5.01	Mangoes
6			01.1.6.5.02	Avocado
5			01.1.6.6	Berries (fresh, chilled or frozen)
6			01.1.6.6.01	Grapefruits
5			01.1.6.7	Other fresh, chilled or frozen fruits

6				01.1.6.7.02	Pineapple
6				01.1.6.7.03	Papaya - Pawpaw
6				01.1.6.7.04	Sugar canes
6				01.1.6.7.05	Melons
5			01.1.6.8		Dried fruit
6				01.1.6.8.04	Natural Groundnuts (Un roasted, Un husked)
6				01.1.6.8.05	Roasted groundnuts
6				01.1.6.8.07	Coconut (Un husked)
5			01.1.6.9		Preserved fruit and fruit-based products
6				01.1.6.9.01	Canned fruits
4		01.1.7			Vegetables
5			01.1.7.1		Leaf and stem vegetables(fresh, chilled or frozen)
6				01.1.7.1.01	Spinach / Lettuce
5			01.1.7.2		Cabbages (fresh or chilled)
6				01.1.7.2.01	Cabbages (fresh or chilled)
5			01.1.7.3		Vegetable cultivated for their fruit (fresh, chilled or frozen)
6				01.1.7.3.01	Green Beans husked
6				01.1.7.3.04	Tomatoes, Round
6				01.1.7.3.05	Bitter tomatoes
6				01.1.7.3.06	Ladies fingers/Okra
6				01.1.7.3.08	pumpkins
6				01.1.7.3.09	Brinjals, eggplant
6				01.1.1.5.09	Green maize cob
5			01.1.7.4		Root crops, non-starchy bulbs and mushrooms (fresh, chilled or frozen)
6				01.1.7.4.02	Round Onions
6				01.1.7.4.04	Carrots
6				01.1.7.4.06	Garlic
5			01.1.7.5		Dried vegetables
6				01.1.7.5.02	Spotted beans
6				01.1.7.5.03	Soya beans
6				01.1.7.5.04	Peas, dry
6				01.1.7.5.05	Beans, dry
6				01.1.7.5.06	Lentils and other pulses
5			01.1.7.6		Other preserved or processed vegetables
6				01.1.7.6.01	Peeled (Tin) Tomatoes
5			01.1.7.7		Potatoes
6				01.1.7.7.01	Round Potatoes
5			01.1.7.8		Other tubers and products of tuber vegetables
6				01.1.7.8.01	Cassava, Fresh
6				01.1.7.8.02	Sweet Potatoes
6				01.1.7.8.03	Cassava dry
6				01.1.7.8.04	Yam, cocoyam

4			01.1.8		Sugar, jam, honey, chocolate, and confectionery
5				01.1.8.1	Sugar
6				01.1.8.1.01	Sugar
5				01.1.8.2	Jams, marmalades and honey
6				01.1.8.2.01	Honey
5				01.1.8.3	Chocolate
6				01.1.8.3.01	Chocolate
5				01.1.8.4	Confectionery products
6				01.1.8.4.01	Confectionery products
5				01.1.8.5	Edible ices and ice cream and sorbet
6				01.1.8.5.01	Edible ices and ice cream
5				01.1.8.6	Other sugar products
6				01.1.8.6.01	Molasses
4			01.1.9		Food products n.e.c.
5				01.1.9.1	Sauces, condiments
6				01.1.9.1.01	Chilli Sauce
5				01.1.9.2	Salt, spices and culinary herbs
6				01.1.9.2.02	Salt
6				01.1.9.2.03	Pepper Powder
5				01.1.9.3	Baker's yeast, dessert preparations, soups
6				01.1.9.3.01	Yeast, baking powder
6				01.1.9.3.02	Baby foods excluding milk
5				01.1.9.4	Other food products n.e.c.
6				01.1.9.4.01	Other food products n.e.c.
5				01.1.9.5	Cooking Bananas (Matoke)
6				01.1.9.5.01	Cooking bananas, plantains
3	1.2				Non-alcoholic beverages
4			01.2.1		Coffee, Tea, and Cocoa
5				01.2.1.1	Coffee
6				01.2.1.1.01	Coffee, (Instant/Africafe)
5				01.2.1.2	Tea
6				01.2.1.2.01	Tea (green label)
5				01.2.1.3	Cocoa and powdered chocolate
6				01.2.1.3.01	Cocoa and powdered chocolate
4			01.2.2		Mineral waters, soft drinks, fruit and vegetable juices
5				01.2.2.1	Mineral or spring waters
6				01.2.2.1.01	Drinking waters
5				01.2.2.2	Soft drinks and concentrates
6				01.2.2.2.02	Coca cola
6				01.2.2.2.03	Fanta
6				01.2.2.2.04	Mirinda
6				01.2.2.2.05	Pepsi

5	02	2.1	01.2.2.3		Fruit juices
6				01.2.2.3.01	Fruit juices
2					ALCOHOLIC BEVERAGES, TOBACCO & NARCOTICS
3					Alcoholic beverages
4				02.1.1	Spirits
5				02.1.1.1	Spirits and liqueurs
6				02.1.1.1.02	Konyagi
4				02.1.2	Wine
5				02.1.2.1	Wine from grape or other fruit
6				02.1.2.1.01	Wine from grapes or other fruits
4	02.1.3	Beer			
5	02.1.3	Beer			
6	02.1.3.1.01	Beer			
3	2.2			Tobacco	
4		02.2.1	Tobacco		
5		02.2.1.1	Cigarettes		
6		02.2.1.1.01	Cigarettes		
2		03	3.1		CLOTHING AND FOOTWEAR
3					Clothing
4				03.1.1	Clothing materials
5				03.1.1.1	Clothing materials
6				03.1.1.1.01	Cotton cloth
6				03.1.1.1.04	Material for Men's trousers
6	03.1.1.1.05			Wax Print	
4	03.1.2			Garments	
5	03.1.2.1			Garments for men	
6	03.1.2.1.01			Men's overcoat (coat, jacket, raincoat)	
6	03.1.2.1.02	Men's suit			
6	03.1.2.1.03	Men's trousers (including blue jeans)			
6	03.1.2.1.04	Men's shirts			
6	03.1.2.1.05	Men's underwear			
6	03.1.2.1.06	Msuli/Kikoi			
6	03.1.2.1.07	Men's sports garments			
6	03.1.2.1.14	Shorts			
6	03.1.2.1.24	Second hand garments for men			
5	03.1.2.2	Garments for women			
6	03.1.2.2.01	Women's overcoat (coat, jacket, raincoat)			
6	03.1.2.2.02	Women's dresses			
6	03.1.2.2.03	Women's trousers			
6	03.1.2.2.05	Women's underwear			
6	03.1.2.2.06	Khanga			
6	03.1.2.2.07	Kitenge			
6	03.1.2.2.08	Women's sports garments			

6				03.1.2.2.16	Head gear
6				03.1.2.2.26	Second hand garments for women
5			03.1.2.3		Garments for children (3 to 13 years) and infants (0 to 2 years)
6				03.1.2.3.01	Children's overcoat
6				03.1.2.3.05	Children's school uniform
6				03.1.2.3.06	Children's sports garments
6				03.1.2.3.23	Boy's shirts
6				03.1.2.3.25	Shorts
6				03.1.2.3.28	frocks or gowns
6				03.1.2.3.31	Sweaters
6				03.1.2.3.32	Socks
4		03.1.3			Other articles of clothing and clothing accessories
5			03.1.3.1		Other articles of clothing and clothing accessories
6				03.1.3.1.01	Belt for men
6				03.1.3.1.04	Second hand other articles of clothing and clothing accessories
4		03.1.4			Cleaning, Repair and Hire of Clothing
5			03.1.4.1		Cleaning, repair and hire of clothing
6				03.1.4.1.03	Tailoring charges women's dress
3	3.2				Footwear
4		03.2.1			Shoes and other footwear
5			03.2.1.1		Footwear for men
6				03.2.1.1.01	Footwear for men
6				03.2.1.1.07	Sandals
6				03.2.1.1.09	Second hand footwear for men
5			03.2.1.2		Footwear for women
6				03.2.1.2.01	Footwear for women
6				03.2.1.2.07	Sandals
6				03.2.1.2.11	Second hand Footwear for women
5			03.2.1.3		Footwear for children (3 to 13 years) and infants (0 to 2 years)
6				03.2.1.3.01	Children's shoes
6				03.2.1.3.05	Slippers for children
6				03.2.1.3.10	Second hand footwear for children (3 to 13 years) and infants (0 to 2 years)
4		03.2.2			Repair and Hire of Footwear
5			03.2.2.1		Repair and hire of footwear
6				03.2.2.1.04	Repairs to shoes for Men
2	04				HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS
3		4.1			Actual Rentals for Housing
4			04.1.1		Actual Rentals paid by Tenants
5				04.1.1.1	Actual Rentals paid by Tenants
6				04.1.1.1.01	Actual rentals paid by tenants (Per month)
3		4.3			Maintenance and repair of the dwelling
4			04.3.1		Materials for the Maintenance and repair of the dwelling

5			04.3.1.1	Materials for the Maintenance and repair of the dwelling
6			04.3.1.1.01	Painting
6			04.3.1.1.02	Maintenance and repair of hydro-sanitary installations (water supply systems)
6			04.3.1.1.03	Maintenance and repair of sewage systems
6			04.3.1.1.04	Maintenance and repair of electrical and cooling installations
6			04.3.1.1.05	Maintenance and repair of carpentry and floors
6			04.3.1.1.07	Materials for the maintenance and repair of the dwelling
4		04.3.2		Services for the Maintenance and repair of the dwelling
5			04.3.2.1	Services for the Maintenance and repair of the dwelling
6			04.3.2.1.01	Painting
6			04.3.2.1.04	Maintenance and repair of electrical and cooling installations
6			04.3.2.1.05	Maintenance and repair of carpentry and floors
3	4.4			Water Supply and Miscellaneous Services relating to the dwelling
4		04.4.1		Water supply
5			04.4.1.1	Water supply
6			04.4.1.1.01	Water bill Per cubic meter (for domestic use only)
6			04.4.1.1.04	Tap water
4		04.4.2		Refuse Collection
5			04.4.2.1	Refuse Collection
6			04.4.2.1.01	Refuse collection (S)
4		04.4.3		Sewage Collection
5			04.4.3.1	Sewage Collection
6			04.4.3.1.01	Sewerage collection
4		04.4.4		Other Services relating to the dwelling n.e.c
5			04.4.4.1	Other Services relating to the dwelling n.e.c
6			04.4.4.1.01	Common expenditures in multi-occupied building
3	4.5			Electricity, Gas and Other Fuels
4		04.5.1		Electricity
5			04.5.1.1	Electricity
6			04.5.1.1.01	Electricity (Tanesco) per unit for domestic use only
4		04.5.2		Gas
5			04.5.2.2	Liquefied hydrocarbons
6			04.5.2.2.01	Liquefied hydrocarbons
4		04.5.3		Liquid Fuel
5			04.5.3.1	Liquid Fuel
6			04.5.3.1.01	Kerosene 1 Lt
4		04.5.4		Solid Fuel
5			04.5.4.1	Solid Fuel
6			04.5.4.1.01	Charcoal
6			04.5.4.1.03	Firewood
2	05			FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE
3		5.1		Furniture and furnishings, Carpets and Other Floor Coverings

4		05.1.1		Furniture and furnishings
5			05.1.1.1	Furniture and furnishings
6			05.1.1.1.01	Chair
6			05.1.1.1.02	Table
6			05.1.1.1.03	Beds
6			05.1.1.1.04	Sofa set
6			05.1.1.1.05	Cupboards
6			05.1.1.1.06	Lanterns
6			05.1.1.1.08	Outside furniture (wooden, metal or plastic)
6			05.1.1.1.12	Solar powered lamp
4		05.1.2		Carpets and other floor coverings
5			05.1.2.1	Carpets and other floor coverings
6			05.1.2.1.01	Carpets and other floor covers
4		05.1.3		Repair of furniture, furnishings and floor coverings
5			05.1.3.1	Repair of furniture, furnishings and floor coverings
6			05.1.3.1.01	Repair of furniture, furnishings and floor coverings
3	5.2			Household Textiles
4		05.2.1		Household Textiles
5			05.2.1.1	Household Textiles
6			05.2.1.1.01	Mosquito net
6			05.2.1.1.03	Towels
6			05.2.1.1.04	Bed Sheets
6			05.2.1.1.06	Mattress
3	5.3			Household Appliances
4		05.3.1		Major household appliances whether electric or not
5			05.3.1.1	Refrigerators, freezers and fridge-freezers
6			05.3.1.1.01	Refrigerators
5			05.3.1.2	Clothes washing machines, clothes drying machines and dish washing machines
6			05.3.1.2.01	Washing machine
5			05.3.1.3	Cookers
6			05.3.1.3.01	Electric or gas stove (including microwave oven)
6			05.3.1.3.02	Charcoal stove
5			05.3.1.4	Heaters, air conditioners
6			05.3.1.4.03	Solar system
5			05.3.1.5	Cleaning equipment
6			05.3.1.5.01	Cleaning equipment
5			05.3.1.6	Sewing and knitting machines
6			05.3.1.6.01	Sewing machines
5			05.3.1.7	Other major household appliances
6			05.3.1.7.01	Generator
4		05.3.2		Small electric household appliances
5			05.3.2.1	Small electric household appliances

6				05.3.2.1.01	Iron, electric
6				05.3.2.1.02	Fan
4			05.3.3		Repair of Household Appliances
5				05.3.3.1	Repair of Household Appliances
6				05.3.3.1.01	Repair of household appliances
3		5.4			Glassware, Tableware and Household Utensils
4			05.4.1		Glassware, Tableware and Household Utensils
5				05.4.1.1	Glass and crystal-ware, tableware
6				05.4.1.1.03	Glass and crystal-ware, tableware
5				05.4.1.2	Cutlery, flatware and silverware
6				05.4.1.2.01	Knives
5				05.4.1.3	Kitchen and domestic ustensils
6				05.4.1.3.01	Plates, dishes etc
6				05.4.1.3.02	Thermos flasks (Medium size)
6				05.4.1.3.04	Cooking pots
6				05.4.1.3.21	Cups
6				05.4.1.3.26	Water bucket
3		5.5			Tools and Equipments for House and Garden
4			05.5.1		Major Tools and Equipment
5				05.5.1.1	Major Tools and Equipment
6				05.5.1.1.01	Major tools for the house (electric drills, etc)
4			05.5.2		Small tools and miscellaneous accessories
5				05.5.2.1	Small tools and miscellaneous accessories
6				05.5.2.1.03	Torch batteries
3		5.6			Goods and Services for Routine Household Maintenance
4			05.6.1		Non-durable Household Goods
5				05.6.1.1	Cleaning and maintenance products
6				05.6.1.1.02	Laundry soap, bar
6				05.6.1.1.03	Laundry soap, powdered
6				05.6.1.1.05	Insecticides, sprays for house
6				05.6.1.1.09	Shoe polish
5				05.6.1.2	Other non-durable household articles
6				05.6.1.2.01	Brooms, brushes, broom heads
6				05.6.1.2.04	Matches
4			05.6.2		Domestic services and Household Services
5				05.6.2.1	Domestic services
6				05.6.2.1.01	Domestic services
6				05.6.2.1.02	Periodical services (cleaning, gardeners, etc.)
2	06				HEALTH
3		6.1			Medical Products, Appliances and Equipments
4			06.1.1		Pharmaceutical products
5				06.1.1.1	Pharmaceutical products
6				06.1.1.1.03	SP/Metakeline

6				06.1.1.1.05	Panadol
6				06.1.1.1.06	Cough syrup
4			06.1.2		Other Medical Products
5			06.1.2.1		Other Medical Products
6				06.1.2.1.01	Other medical products
4			06.1.3		Therapeutical appliances and equipment
5			06.1.3.1		Therapeutical appliances and equipment
6				06.1.3.1.03	Blood sugar monitoring devices
3		6.2			Outpatient Services
4			06.2.1		Medical Services
5			06.2.1.1		Medical Services
6				06.2.1.1.01	Doctor's consultation fee (Private Hospitals)- a specialist
6				06.2.1.1.03	Doctor's consultation fee (Government Hospitals)
4			06.2.2		Dental Services
5			06.2.2.1		Dental services
6				06.2.2.1.01	Dental services
4			06.2.3		Paramedical Services
5			06.2.3.1		Services of medical analysis laboratories and X-ray centres
6				06.2.3.1.01	Medical laboratory findings
5			06.2.3.3		Other non-hospital services
6				06.2.3.3.01	Other treatments (unqualified doctors such as healers, herbalist, etc.)
3		6.3			Hospital Services
4			06.3.1		Hospital Services
5			06.3.1.1		Hospital Services
6				06.3.1.1.01	Hospital Services
2	07				TRANSPORT
3		7.1			Purchase of Vehicles
4			07.1.1		Motor cars
5			07.1.1.1		Purchase of new motor cars
6				07.1.1.1.01	New Vehicle
5			07.1.1.2		Purchase of second hand motor cars
6				07.1.1.2.01	Second hand Car
4			07.1.2		Motor cycles
5			07.1.2.1		Motor cycles
6				07.1.2.1.02	Motorbikes
4			07.1.3		Bicycles
5			07.1.3.1		Bicycles
6				07.1.3.1.01	Bicycles
3		7.2			Operation of Personal Transport Equipment
4			07.2.1		Spare Parts and Accessories for Personal Transport Equipment
5			07.2.1.1		Spare parts and accessories
6				07.2.1.1.04	Car tire

4			07.2.2		Fuels and lubricants for personal transport equipment
5				07.2.2.1	Fuels and lubricants
6					07.2.2.1.02 Diesel
6					07.2.2.1.03 Petrol
4			07.2.3		Maintenance and repair of personal transport equipment
5				07.2.3.1	Maintenance and repairs
6					07.2.3.1.01 Maintenance and repairs
4			07.2.4		Other services in respect of personal transport equipment
5				07.2.4.1	Other services in respect of personal transport equipment
6					07.2.4.1.05 Driving lessons for cars
6					07.2.4.1.06 Renting a garage or a parking space not linked to the dwelling unit
3		7.3			Transport Services
4			07.3.1		Passenger transport by railway
5				07.3.1.1	Passenger transport by railway
6					07.3.1.1.01 Passenger transport by railway
4			07.3.2		Passenger transport by road
5				07.3.2.1	Passenger transport by road
6					07.3.2.1.02 Bus fare, urban
6					07.3.2.1.05 Taxi fare
4			07.3.3		Passenger transport by air
5				07.3.3.1	Passenger transport by air
6					07.3.3.1.01 Passenger transport by air
4			07.3.4		Passenger transport by sea and inland waterway
5				07.3.4.1	Passenger transport by sea and inland waterway
6					07.3.4.1.01 Passenger transport by sea and inland waterway
2	08				COMMUNICATION
3		8.1			Postal services
4			08.1.1		Postal services
5				08.1.1.1	Postal services
6					08.1.1.1.01 Postal services
3		8.2			Telephone and telefax equipment
4			08.2.1		Telephone and telefax equipment
5				08.2.1.1	Telephone and telefax equipment
6					08.2.1.1.03 Mobile Phones
3		8.3			Telephone and telefax services
4			08.3.1		Telephone and telefax services
5				08.3.1.1	Telephone and telefax services
6					08.3.1.1.02 Mobile Phones service, Domestic prices (within network excluding offers)
2	09				RECREATION AND CULTURE
3		9.1			Audio-visual, photographic and information processing equipment
4			09.1.1		Equipments for reception, recording and reproduction of sound and pictures
5				09.1.1.1	Equipment for the reception, recording and reproduction of sound

6				09.1.1.1.02	Radio
6				09.1.1.1.05	Record/CD/VCD/DVD player
5			09.1.1.2		Television sets, video-cassette players and recorders
6				09.1.1.2.02	Television
6				09.1.1.2.03	Satellite dish/decoder
4		09.1.2			Photographic and Cinematographic equipments and Optical Instruments
5			09.1.2.1		Photographic and cinematographic equipment
6				09.1.2.1.01	Photographic and cinematographic equipment
4		09.1.3			Information processing equipments
5			09.1.3.1		Information processing equipment
6				09.1.3.1.01	PC/Laptop without internet connection
4		09.1.4			Recording media
5			09.1.4.1		Recording media for pictures and sound
6				09.1.4.1.04	Records, tapes, cassettes musical instruments
4		09.1.5			Repair of audio-visual, photographic and information processing equipment
5			09.1.5.1		Repair of audio-visual, photographic and information processing equipment
6				09.1.5.1.01	Repair of audio-visual, photographic and information process
3	9.3				Other Recreational Items and Equipments, Garden and Pets
4		09.3.2			Equipments for Sports, Camping and Open air Recreation
5			09.3.2.1		Equipments for Sports, Camping and Open air Recreation
6				09.3.2.1.01	Equipment for sport, camping and open air recreation
4		09.3.5			Veterinary and other services for pets
5			09.3.5.1		Veterinary and other services for pets
6				09.3.5.1.02	Purchase of veterinary drugs and services
3	9.4				Recreational and Cultural Services
4		09.4.1			Recreational and sporting services
5			09.4.1.1		Recreational and sporting services
6				09.4.1.1.04	Tickets to sporting shows
4		09.4.2			Cultural services
5			09.4.2.2		Museums, zoological gardens and the like
6				09.4.2.2.01	Tickets for museums, national parks, zoos
3	9.5				Newspapers, books and stationery
4		09.5.1			Books
5			09.5.1.1		Books
6				09.5.1.1.02	School Books
4		09.5.2			Newspapers and Periodicals
5			09.5.2.1		Newspapers and Periodicals
6				09.5.2.1.02	Newspapers
4		09.5.3			Miscellaneous Printed Matter
5			09.5.3.1		Miscellaneous printed matter
6				09.5.3.1.01	Miscellaneous printed matter
4		09.5.4			Stationary and Drawing Materials

5	10	10.1	10.1.1	09.5.4.1	Stationary and Drawing Materials
6				09.5.4.1.04	Ball point pens
6				09.5.4.1.05	Notebooks (Exercise Books)
2					EDUCATION
3					Pre-Primary and Primary Education
4					Pre-Primary and Primary Education
5				10.1.1.1	Pre-Primary and Primary Education
6				10.1.1.1.02	Primary school fee (Private)
3				10.2	Secondary Education
4				10.2.1	Secondary Education
5	11	10.2	10.2.1	10.2.1.1	Secondary Education
6				10.2.1.1.02	Secondary school fee (O-Level), government
6				10.2.1.1.04	Secondary school fee (O-Level), , private
3				10.3	Post - Secondary Non-Tertiary Education
4				10.3.1	Post - Secondary Non-Tertiary Education
5				10.3.1.1	Post-secondary non-tertiary education
6				10.3.1.1.01	Post-secondary non-tertiary education - VETA
3				10.4	Tertiary Education
4				10.4.1	Tertiary Education
5				10.4.1.1	Tertiary Education
6	12	10.5	10.5.1	10.4.1.1.01	Tertiary education - University Level
3					Education not definable by level
4					Education not definable by level
5				10.5.1.1	Education not definable by level
6				10.5.1.1.01	Education not definable by level
2					RESTAURANTS AND HOTELS
3				11.1	Catering services
4				11.1.1	Restaurants, Cafes and the like
5				11.1.1.1	Restaurants
6				11.1.1.1.07	Food and drinks
3	12	11.2	11.2.1		Accommodation services
4					Accommodation services
5				11.2.1.1	Accommodation services
6				11.2.1.1.01	Accommodation services
2					MISCELLANEOUS GOODS AND SERVICES
3				12.1	Personal Care
4				12.1.1	Hairdressing salons and personal grooming establishments
5				12.1.1.1	Hairdressing salons and personal grooming establishments
6				12.1.1.1.03	Men's hair cut

6				12.1.1.1.04	Simple hair dressing for women
4		12.1.2			Electric Appliances for Personal Care
5			12.1.2.1		Electric Appliances for Personal Care
6				12.1.2.1.01	Electrical appliances for personal care
4		12.1.3			Other Appliances, articles and products for personal care
5			12.1.3.1		Other Appliances, articles and products for personal care
6				12.1.3.1.02	Razor blade
6				12.1.3.1.03	Toilet soap
6				12.1.3.1.04	Tooth paste
6				12.1.3.1.05	Tooth brush
6				12.1.3.1.06	Face cream
6				12.1.3.1.08	Hair cream / Hair tonic
6				12.1.3.1.11	Perfumes
6				12.1.3.1.14	Toilet paper
3	12.3				Personal Effects n.e.c
4		12.3.1			Jewellery, clocks and watches
5			12.3.1.1		Jewellery, clocks and watches
6				12.3.1.1.01	Jewellery, clocks and watches
4		12.3.2			Other personal effects
5			12.3.2.1		Travel goods and other carriers
6				12.3.2.1.02	School bags
6				12.3.2.1.03	Hand bags
5			12.3.2.2		Other personal effects
6				12.3.2.2.01	Umbrellas
6				12.3.2.2.05	Articles for babies (baby carriages and similar articles, car seats)
3	12.4				Social Protection
4		12.4.1			Social Protection Services
5			12.4.1.1		Social Protection Services
6				12.4.1.1.03	Day care centre
3	12.5				Insurance
4		12.5.4			Insurance connected with the Transport
5			12.5.4.1		Insurance connected with the Transport
6				12.5.4.1.01	Vehicle Insurance
3	12.7				Other services n.e.c.
4		12.7.1			Other services n.e.c.
5			12.7.1.1		Other services n.e.c.
6				12.7.1.1.08	Photocopies

Annex 2: List of Excluded Groups from the Master COICOP

S/N	LEVEL	GROUP	PARTICULARS
1.	3	2.3	Narcotics
2.	3	4.2	Imputed Rentals for Housing
3.	3	9.2	Other Major durables for Recreation and Culture
4.	3	9.6	Package holidays
5.	3	12.2	Prostitution
6.	3	12.6	Financial services n.e.c.

Annex 3: List of Excluded Classes from the Master COICOP

S/N	LEVEL	CLASS	PARTICULARS
1.	4	02.3.1	Narcotics
2.	4	04.1.2	Other Actual Rentals
3.	4	04.2.1	Imputed Rentals of Owner Occupiers
4.	4	04.2.2	Other Imputed Rentals
5.	4	04.5.5	Heat Energy
6.	4	07.1.4	Animal drawn vehicles
7.	4	07.3.5	Combined Passenger Transport
8.	4	07.3.6	Other Purchased Transport Services
9.	4	09.2.1	Major Durables for outdoor recreation
10.	4	09.2.2	Musical instruments and Major Durables for indoor recreation
11.	4	09.2.3	Maintenance and repair of Other Major durables for Recreation and Culture
12.	4	09.3.1	Games, Toys and Hobbies
13.	4	09.3.3	Gardens, Plants and Flowers
14.	4	09.3.4	Pets and related products
15.	4	09.4.3	Games of Chance
16.	4	09.6.1	Package holidays
17.	4	11.1.2	Canteens
18.	4	12.2.1	Prostitution
19.	4	12.5.1	Life Insurance (Not Applicable for HBS)
20.	4	12.5.2	Insurance connected with the dwelling
21.	4	12.5.3	Insurance connected with Health
22.	4	12.5.5	Other Insurances
23.	4	12.6.1	FISIM (Not Applicable for HBS)
24.	4	12.6.2	Other financial services n.e.c.

Annex 4: List of Additional Groups in the New CPI Basket Compared to Old Basket

S/N	LEVEL	GROUP	PARTICULARS
1.	3	4.3	Maintenance and repair of the dwelling
2.	3	6.2	Outpatient Services
3.	3	6.3	Hospital Services
4.	3	9.3	Other Recreational Items and Equipments, Garden and Pets
5.	3	10.3	Post - Secondary Non-Tertiary Education
6.	3	10.4	Tertiary Education
7.	3	10.5	Education not definable by level
8.	3	12.4	Social Protection

Annex 5: List of Additional Classes in the New CPI basket Compared to Old Basket

S/N	LEVEL	CLASS	PARTICULARS
1.	4	02.1.2	Wine
2.	4	04.3.1	Materials for the Maintenance and repair of the dwelling
3.	4	04.3.2	Services for the Maintenance and repair of the dwelling
4.	4	04.4.2	Refuse Collection
5.	4	04.4.3	Sewage Collection
6.	4	04.4.4	Other Services relating to the dwelling n.e.c
7.	4	05.1.3	Repair of furniture, furnishings and floor coverings
8.	4	05.3.3	Repair of Household Appliances
9.	4	05.5.1	Major Tools and Equipment
10.	4	06.1.2	Other Medical Products
11.	4	06.1.3	Therapeutical appliances and equipment
12.	4	06.2.3	Paramedical Services
13.	4	06.3.1	Hospital Services
14.	4	07.1.2	Motor cycles
15.	4	07.2.4	Other services in respect of personal transport equipment
16.	4	07.3.1	Passenger transport by railway
17.	4	07.3.3	Passenger transport by air
18.	4	07.3.4	Passenger transport by sea and inland waterway
19.	4	09.1.3	Information processing equipments Repair of audio-visual, photographic and information processing equipment
20.	4	09.1.5	Equipment for Sports, Camping and Open air Recreation
21.	4	09.3.2	Veterinary and other services for pets
22.	4	09.3.5	Cultural services
23.	4	09.4.2	Books
24.	4	09.5.1	Miscellaneous Printed Matter
25.	4	09.5.3	Post - Secondary Non-Tertiary Education
26.	4	10.3.1	Tertiary Education
27.	4	10.4.1	Education not definable by level
28.	4	10.5.1	Electric Appliances for Personal Care
29.	4	12.1.2	Social Protection Services
30.	4	12.4.1	

Annex 6: List of Additional Sub Classes in the New CPI basket Compared to Old Basket

S/N	LEVEL	SUB-CLASS	PARTICULARS
1.	5	01.1.1.3	Pasta products
2.	5	01.1.2.6	Other preserved or processed meat and meat preparations
3.	5	01.1.2.7	Other fresh, chilled or frozen edible meat
4.	5	01.1.4.4	Yoghurt
5.	5	01.1.4.6	Other milk products
6.	5	01.1.5.1	Butter
7.	5	01.1.6.6	Berries (fresh, chilled or frozen)
8.	5	01.1.6.9	Preserved fruit and fruit-based products
9.	5	01.1.7.5	Dried vegetables
10.	5	01.1.7.6	Other preserved or processed vegetables
11.	5	01.1.8.3	Chocolate
12.		01.1.8.4	Confectionery, chocolate
13.	5	01.1.8.5	Edible ices and ice cream and sorbet
14.	5	01.1.9.1	Sauces, condiments
15.	5	01.1.9.3	Baker's yeast, dessert preparations, soups
16.	5	01.1.9.4	Other food products n.e.c.
17.	5	01.1.9.5	Cooking Bananas (Matoke)
18.	5	01.2.1.3	Cocoa and powdered chocolate
19.	5	02.1.2.1	Wine from grape or other fruit
20.	5	03.2.1.3	Footwear for children (3 to 13 years) and infants (0 to 2 years)
21.	5	04.3.1.1	Materials for the Maintenance and repair of the dwelling
22.	5	04.3.2.1	Services for the Maintenance and repair of the dwelling
23.	5	04.4.2.1	Refuse Collection
24.	5	04.4.3.1	Sewage Collection
25.	5	04.4.4.1	Other Services relating to the dwelling n.e.c
26.	5	04.5.2.2	Liquefied hydrocarbons
27.	5	05.1.3.1	Repair of furniture, furnishings and floor coverings
28.	5	05.3.1.2	Clothes washing machines, clothes drying machines and dish washing machines
29.	5	05.3.1.3	Cookers
30.	5	05.3.1.4	Heaters, air conditioners
31.	5	05.3.1.5	Cleaning equipment
32.	5	05.3.1.7	Other major household appliances
33.	5	05.3.3.1	Repair of Household Appliances
34.	5	05.4.1.2	Cutlery, flatware and silverware
35.	5	05.5.1.1	Major Tools and Equipment
36.	5	06.1.2.1	Other Medical Products
37.	5	06.1.3.1	Therapeutical appliances and equipment
38.	5	06.2.3.1	Services of medical analysis laboratories and X-ray centers
39.	5	06.2.3.3	Other non-hospital services
40.	5	06.3.1.1	Hospital Services
41.	5	07.1.1.2	Purchase of second hand motor cars
42.	5	07.1.2.1	Motor cycles
43.	5	07.2.4.1	Other services in respect of personal transport equipment

44.	5	07.3.1.1	Passenger transport by railway
45.	5	07.3.3.1	Passenger transport by air
46.	5	07.3.4.1	Passenger transport by sea and inland waterway
47.	5	09.1.3.1	Information processing equipment
48.	5	09.1.5.1	Repair of audio-visual, photographic and information processing equipment
49.	5	09.3.2.1	Equipments for Sports, Camping and Open air Recreation
50.	5	09.3.5.1	Veterinary and other services for pets
51.	5	09.4.2.2	Museums, zoological gardens and the like
52.	5	09.5.1.1	Books
53.	5	09.5.3.1	Miscellaneous printed matter
54.	5	10.3.1.1	Post-secondary non-tertiary education
55.	5	10.4.1.1	Tertiary Education
56.	5	10.5.1.1	Education not definable by level
57.	5	12.1.2.1	Electric Appliances for Personal Care
58.	5	12.3.2.2	Other personal effects
59.	5	12.4.1.1	Social Protection Services

Annex 7: List of Items Dropped from the Old NCPI basket

Product Code	Product Description
02.1.3.1.2	Local brew
03.1.4.1.3	Dry cleaning-Suits
05.2.1.1.1	Blankets
05.3.2.1.2	Iron charcoal, One
07.3.2.1.5	Bajaj fare (Shortest distance one passenger)
08.3.1.1.2	Internet services
09.1.2.1.2	Still Camera
09.1.4.1.1	Tape (Audio recorded)
09.1.4.1.2	Video cassette VHS (recorded)
09.1.4.1.3	Audio CD
09.1.4.1.4	DVD/VCD (Video CD)
09.5.4.1.2	Lead Pencils (Penseli ya kuchonga)
12.7.1.1.1	Cost of Grinding maize