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NATIONAL CONSUMER PRICE INDEX (NCPI) FOR FEBRUARY, 2024

1. METHODOLOGICAL NOTE

1.1 Definition

The NCPI measure changes over time in the cost of a fixed basket of goods and services that are purchased by a representative sample of households in Tanzania. Currently, the NCPI basket comprises of 383 goods and services, of which 132 are Food and Non-Alcoholic Beverages and 251 are Non-Food items. With regard to geographical coverage, the NCPI uses price data collected from all 26 regional headquarters in Tanzania Mainland.

1.2 Weights and a Reference Period

The NCPI weights are based on monetary expenditures relating to consumption of all households in 26 regions of Tanzania Mainland. The index weights are based on expenditures of both urban and rural households derived from 2017/18 Household Budget Survey. The reference period for base prices is the average of January to December, 2020 and the index reference period is year 2020.

1.3 Classification

The NCPI uses the UN Classification of Individual Consumption by Purpose, 2018 (UN COICOP, 2018) and is being disseminated using 13 COICOP. In addition, the rebased NCPI is disseminated together with several additional index aggregations which includes: - Core index; Energy, fuel and utilities; Non core index; services index; Goods index; Education services and products ancillary to education index and All items less food and non-alcoholic beverages.

1.4 Elementary and Higher-Level Indices

Compilation of the NCPI use geometric mean of price relatives for compiling elementary index aggregates and the Lowe Index formula (which is Laspeyres index formula type) is used for computing higher level aggregates.

2. ANNUAL HEADLINE INFLATION FOR FEBRUARY, 2024 STANDS AT 3.0 Percent
Table 1: Changes in the NCPI for February 2024, (2020 = 100)

S/N	Main Groups	Weight	Feb., 2023	Jan., 2024	Feb., 2024	1 Month Percent Change	12 Month Percent Change
1	Food and non-alcoholic beverages	28.2	119.09	119.39	121.28	1.6	1.8
2	Alcoholic beverages and tobacco	1.9	103.75	107.93	108.15	0.2	4.2
3	Clothing and footwear	10.8	109.08	111.94	112.02	0.1	2.7
4	Housing, water, electricity, gas and other fuels	15.1	108.08	113.31	113.44	0.1	5.0
5	Furnishings, household equipment and routine household maintenance	7.9	108.58	112.26	112.38	0.1	3.5
6	Health	2.5	105.39	107.21	107.64	0.4	2.1
7	Transport	14.1	111.81	115.62	115.04	-0.5	2.9
8	Information and communication	5.4	104.02	105.18	106.00	0.8	1.9
9	Recreation, sport and culture	1.6	105.23	108.97	109.06	0.1	3.6
10	Education services	2.0	104.78	107.15	107.67	0.5	2.8
11	Restaurants and accommodation services	6.6	109.42	114.64	114.49	-0.1	4.6
12	Insurance and financial services	2.1	100.42	101.13	101.47	0.3	1.0
13	Personal care, social protection and miscellaneous goods and services	2.1	106.44	114.14	113.99	-0.1	7.1
TOTAL – ALL ITEMS INDEX		100.0	111.28	114.09	114.65	0.5	3.0
Other Selected Groups							
1	Core Index	73.9	108.49	111.93	112.46	0.5	3.7
2	Non-Core Index	26.1	119.17	120.22	120.86	0.5	1.4
3	Energy, Fuel and Utilities Index	5.7	113.26	120.92	121.43	0.4	7.2
4	Services Index	37.2	107.41	111.02	110.67	-0.3	3.0
5	Goods Index	62.8	113.57	115.91	117.00	0.9	3.0
6	Education services and products ancillary to education Index	4.1	106.83	109.72	109.95	0.2	2.9
7	All items Less Food and Non-Alcoholic Beverages	71.82	108.21	112.01	112.04	0.0	3.5

2.1 Headline Inflation Rate

The Headline Inflation Rate measures inflation rate when all items in the fixed CPI basket are included. Table number 1 above indicates that, Annual Headline Inflation Rate for the month of February, 2024 stagnated at 3.0 percent as it was recorded in January, 2024. The stagnation of the headline inflation explains that, speed of price change for commodities for the year ended February, 2024 remains the same as the speed that was recorded for the year ended January, 2024. The overall index went up from 111.28 recorded in February, 2023 to 114.65 recorded in February, 2024.

2.2 Food and Non-Alcoholic Beverages Inflation Rates

Food and Non-Alcoholic Beverages Inflation Rate for February, 2024 has increased to 1.8 percent from 1.5 percent that was recorded in January, 2024. On the other hand, Annual Inflation Rate for all items without food and non-alcoholic beverages for February, 2024 has decreased to 3.5 percent from 3.6 percent that was recorded in January, 2024.

2.3 Core Inflation Rates

Computation of the Core Index, excludes items with volatile prices that is unprocessed food; energy and utilities with exception to maize flour. Exclusion of volatile prices from the total NCPI provides a more stable Inflation Rate figure for Policy Makers. The Core Index covers 297 items and the share of weight to total NCPI weight is 73.9 percent. The inflation rate for Core Index in February, 2024 has increased to 3.7 percent from 3.2 percent recorded in January, 2024.

Chart 1: Movement of National Consumer Price Indices (NCPI) and Inflation Rates from February, 2023 – February, 2024. (2020 = 100)

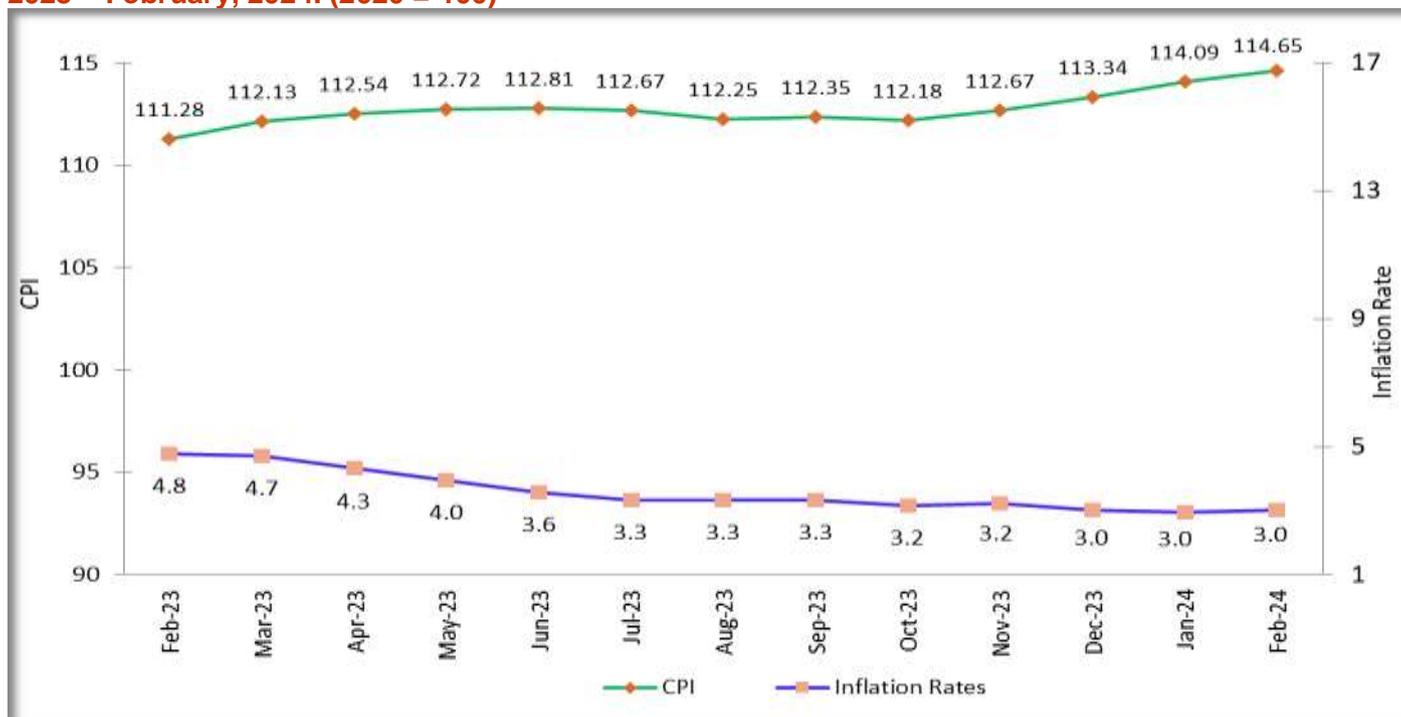


Chart 1 indicates that; NCPI has shown a relatively stable price movement from February, 2023 to February, 2024 ranging between 111.28 and 114.65. In addition, Annual Headline Inflation Rates over the same period have shown a stable trend that ranges between 3.0 percent and 4.8 percent.

3. MONTHLY CONSUMER PRICE INDEX BETWEEN JANUARY AND FEBRUARY, 2024

The National Consumer Price Index between January, 2024 and February, 2024 has increased by 0.5 percent. The increase of the overall index is attributed to price increase for some food and non-food items. Some food items that contributed to an increase of the index include; wheat grains by 0.9 percent, rice by 1.3 percent, sorghum grains by 1.9 percent, finger millet grains by 1.6 percent, sorghum Flour by 1.9 percent, fresh meat by 0.9 percent, fresh sardines by 0.5 percent, dried sardines by 0.8 percent, sunflower oil by 0.9 percent, fruits by 2.8 percent, vegetables by 2.4 percent, sweet potatoes by 2.8 percent, dried beans by 1.7 percent, dried lentils by 1.0 percent, dried cowpeas by 0.7 percent and sugar by 19.2 percent. Some Non-Food items that contributed to an increase of the index includes; alcoholic beverages and tobacco by 0.2 percent, garments for men by 0.1 percent, garments for women by 0.2 percent, garments for children under 2 years by 0.2 percent, footwear for men by 0.4 percent, products and materials for the maintenance of the dwelling by 0.3 percent, liquefied hydrocarbon (gas) by 0.2 percent, firewood by 1.0 percent, Wood charcoal by 5.5 percent, health products and services by 0.4 percent, mobile telephone by 0.3 percent and education services by 0.5 percent.

Table 2: NCPI Release Schedule for the Subsequent Months

NCPI Release Months	Release date
March, 2024	08 th April, 2024
April, 2024	08 th May, 2024
May, 2024	10 th June, 2024

Further information pertaining to methodology and related aspects of the NCPI process can be obtained by directing inquiries to:

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