



National Bureau of Statistics

Tel: +255 26 - 2963822
Fax: +225 26 - 2963828
E-mail: dg@nbs.go.tz;
Website: www.nbs.go.tz

Jakaya Kikwete Road
P.O. Box 2683
Dodoma,
TANZANIA



In reply please quote:

Our Ref : NBS/S.40/21/556

PRESS RELEASE

Date : 08th January, 2020

NATIONAL CONSUMER PRICE INDEX (NCPI) FOR THE MONTH OF DECEMBER, 2019

METHODOLOGICAL NOTE

Definition

The NCPI measures the change over time in the cost of a fixed basket of goods and services that are purchased by a representative sample of households in Tanzania. A basket includes a list of 278 goods and services of which 97 are Food and Non-Alcoholic Beverages and 181 are Non-Food items that are being priced on monthly basis.

Weights and a Reference Period

The NCPI weights are based on monetary expenditures relating to consumption for all households in the 25 geographic regions of Tanzania Mainland. The index weights are based on expenditures of both urban and rural households derived from 2011/12 Household Budget Survey and the price reference period is December, 2015.

Classification

The NCPI follows the internationally recommended Classification of Individual Consumption by Purpose (COICOP). NCPI is being disseminated with indices for the 12 major groups of COICOP as well as several additional index aggregations. These additional indices are; 1) Food and Non-alcoholic Beverages - combining food consumed at home and food consumed in restaurants; 2) Energy and Fuels - combining electricity and other fuels for use at home including petrol and diesel; 3) All Items Less Food; and 4) All Items Less Food and Energy.

Elementary and Higher Level Indices

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.

ANNUAL HEADLINE INFLATION STAGNATED AT 3.8%

Table 1: Changes in the NCPI for December, 2019, (Dec.2015 = 100)

S/N	Main Groups	Weight	Dec. 18	Nov.19	Dec.19	1 Month Percent Change	12 Month Percent Change
1	Food and Non-Alcoholic Beverages	38.5	114.69	120.30	121.91	1.3	6.3
2	Alcoholic and Tobacco	3.7	110.16	110.65	110.82	0.2	0.6
3	Clothing and Footwear	8.3	110.60	112.52	113.06	0.5	2.2
4	Housing, Water, Electricity, Gas and Other Fuel	11.6	133.38	140.15	139.28	-0.6	4.4
5	Furnishing, Housing Equipment and Routine Maintenance of the House	6.3	109.49	112.23	112.42	0.2	2.7
6	Health	2.9	107.92	109.54	109.55	0.0	1.5
7	Transport	12.5	105.49	105.64	106.33	0.7	0.8
8	Communication	5.6	95.57	96.26	96.59	0.3	1.1
9	Recreation and Culture	1.6	102.89	104.05	104.33	0.3	1.4
10	Education	1.5	105.97	107.68	107.68	0.0	1.6
11	Restaurants and hotels	4.2	107.32	110.72	110.72	0.0	3.2
12	Miscellaneous goods and services	3.1	108.15	109.47	110.05	0.5	1.8
TOTAL – ALL ITEMS INDEX		100.0	112.76	116.39	117.10	0.6	3.8
Other Selected Groups							
1	Food - combining food consumed at home and food consumed in restaurants	37.1	117.59	124.04	125.67	1.3	6.9
2	Energy and Fuels - combining electricity and other fuels for use at home with petrol and diesel	8.7	146.40	152.57	150.54	-1.3	2.8
3	All Items Less Food	62.9	112.49	114.88	115.05	0.1	2.3
4	All Items Less Food and Energy	54.3	107.07	108.85	109.37	0.5	2.1

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 December, 2019 has stagnated 3.8% as it was recorded in November, 2019. The stagnation of the headline inflation explains that, the speed of price change for commodities for the year ended December, 2019 has remained the same as that recorded for the year ended November, 2019. The overall index went up to 117.10 in December, 2019 from 112.76 recorded in December, 2018.

Food and Non Food Inflation Rates

Food and Non-Alcoholic Beverages Inflation Rate for the month of December, 2019 has increased to 6.3% from 6.1% recorded in November, 2019. Annual Inflation Rate for food consumed at home and away from home for the month of December, 2019 has also increased to 6.9% from 6.7% recorded in November, 2019. On the other hand, the 12-month index change for non-food products in December, 2019 has decreased to 2.3% from 2.4% recorded in November, 2019.

Inflation Rate excluding Food and Energy

The Annual Inflation Rate which excludes food and energy for the month of December, 2019 has decreased to 2.1% from 2.2% recorded in November, 2019.

The NCPI used to compute this type of Inflation Rate excludes food consumed at home and restaurants, petrol, diesel, gas, kerosene, charcoal, firewood and electricity. Excluding food and energy which are the most volatile components in the total NCPI could provide a more stable Inflation Rate figure for Policy Makers.

Chart 1: Movement of National Consumer Price Indices (NCPI) and Inflation Rates from December, 2018 – December, 2019. (Dec. 2015 = 100)

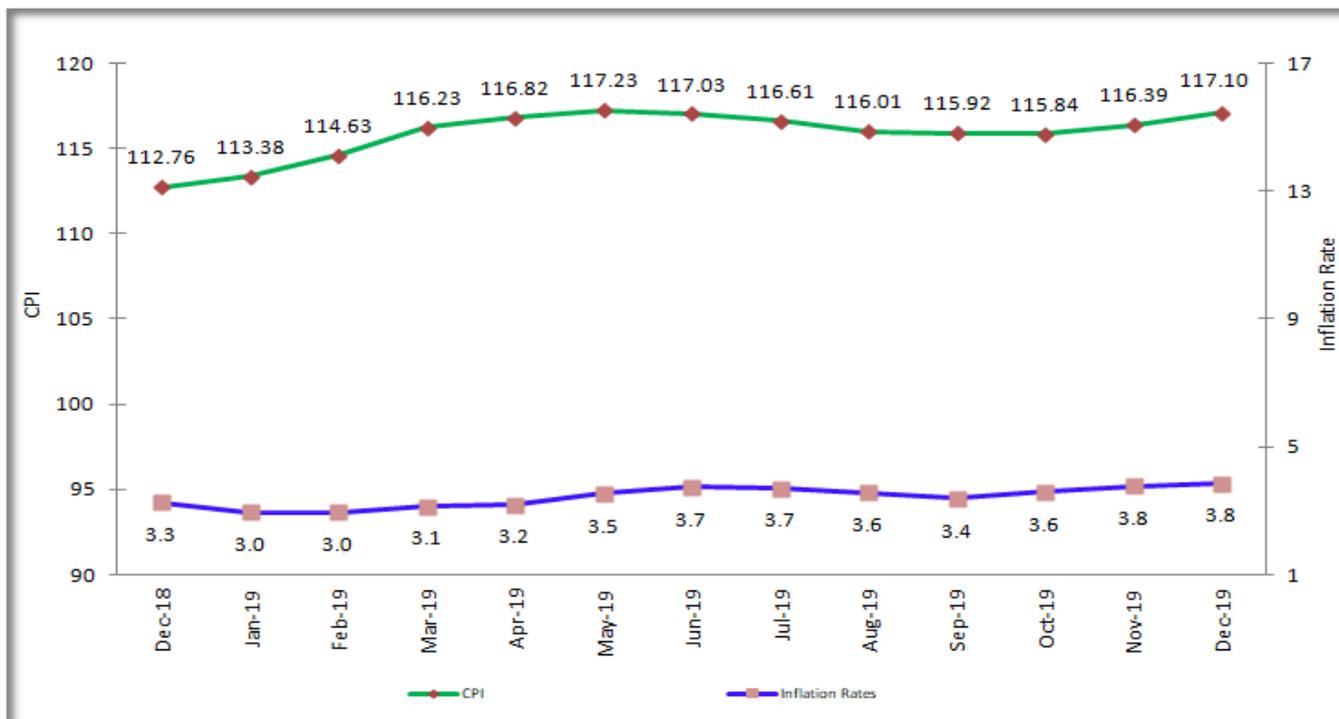


Chart number 1 above explains that; CPI has shown a relatively stable movement of prices from December, 2018 to December, 2019. In addition, Annual Headline Inflation Rates over the same period range between 3.0% recorded in January and February, 2019 and; 3.8% in November and December, 2019.

MONTHLY CHANGE OF CONSUMER PRICE INDEX FROM NOVEMBER, 2019 TO DECEMBER, 2019

The National Consumer Price Index from November, 2019 to December, 2019 has increased by 0.6% compared to an increase by 0.5% recorded from October, 2019 to November, 2019. The overall index has increased to 117.10 in December, 2019 from 116.39 recorded in November, 2019. The increase of the overall index is attributed to the price increase for food and non food items. Some of the food items that contributed to such an increase include: - maize grains by 2.8%, maize flour by 4.8%, wheat flour by 1.2%, sorghum grain by 4.2%, sorghum flour by 2.7%, meat by 1.2%, vegetables by 2.2%, beans by 2.3% and cassava by 2.8%. On the other hand, some of the non food items that contributed to such an increase include: - Footwear for women by 1.5%, maintenance and repairs of private saloon cars by 3.0%, kitchen and domestic utensils by 1.3%, personal care such as hair dressing for women by 1.1% and school bags by 2.3%.

Table 2: Trend of Price Movement and Inflation Rate from January to December, 2019, (Dec., 2015 = 100)

Month	Overall National CPI	Inflation Rates (%)			
		Headline	Food - combining food consumed at home and in restaurants	Non Food	Non Food Non Energy
Jan-19	113.38	3.0	2.3	5.1	3.1
Feb-19	114.63	3.0	2.3	5.1	3.1
Mar-19	116.23	3.1	2.0	5.7	3.7
Apr-19	116.82	3.2	2.7	5.3	3.6
May-19	117.23	3.5	3.9	4.7	3.5
Jun-19	117.03	3.7	4.3	4.7	3.4
Jul-19	116.61	3.7	4.9	4.2	3.1
Aug-19	116.01	3.6	5.0	3.5	2.9
Sep-19	115.92	3.4	5.1	3.1	2.7
Oct-19	115.84	3.6	6.0	2.7	2.6
Nov-19	116.39	3.8	6.7	2.4	2.2
Dec-19	117.10	3.8	6.9	2.3	2.1
Average 2019	116.10	3.4	4.3	4.0	3.0
Average 2018	112.23	3.5	3.7	4.3	1.9

Table number 2 above shows the trend of price movements for commodities and Headline Inflation Rates from January to December, 2019. Overall, the Consumer Price Index for commodities remained stable over the whole period from January to December, 2019 from 113.38 in January, 2019 to 117.10 in December, 2019. This movement resulted into a relatively stable Headline Inflation Rate over the same period recording the lowest Headline Inflation Rate of 3.0% in January and February, 2019 and the highest Headline Inflation Rate of 3.8% in November and December, 2019.

Annual Average Headline Inflation Rate in the year 2019 (from January to December, 2019) has decreased to 3.4% from 3.5% recorded in 2018 (from January to December, 2018). Annual Average Inflation Rate for food Items has increased to 4.3% in 2019 from 3.7% in 2018. On the other hand, Annual Average Non Food Inflation Rate in 2019 has decreased to 4.0% from 4.3% recorded in 2018. Annual Average Inflation Rate which excludes food and energy has increased to 3.0% in 2019 from 1.9% recorded in 2018.

Some of the Non Food Non Energy items that contributed to such an increase include: - clothing and footwear by 3.0%, furniture by 3.4%, kitchen and domestic utensils by 4.7%, doctor's consultation fee in private hospitals by 4.1%, school books by 2.2%, exercise books by 2.0%, primary school fee in private schools by 2.5% and secondary school fee in private schools by 3.2%.

Table 3: NCPI Release Schedule for the Coming Months

NCPI Release Months	Release date
January, 2020	10 th February, 2020
February, 2020	09 th March, 2020
March, 2020	08 th April, 2020

For more information please contact:

Statistician General,
National Bureau of Statistics,
Jakaya Kikwete Road,
P.O. Box 2683,
Dodoma,
TANZANIA.

Tel: +255 26-2963822,
Fax: +225 26-2963828,
E-mail: dq@nbs.go.tz,
Website: www.nbs.go.tz.