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NATIONAL CONSUMER PRICE INDEX (NCPI) FOR NOVEMBER, 2023

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.

ANNUAL HEADLINE INFLATION FOR NOVEMBER, 2023 STAGNATED AT 3.2 PERCENT

Table 1: Changes in the NCPI for November 2023, (2020 = 100)

S/N	Main Groups	Weight	November, 2022	October, 2023	November, 2023	1 Month Percent Change	12 Month Percent Change
1	Food and non-alcoholic beverages	28.2	113.85	117.57	118.07	0.4	3.7
2	Alcoholic beverages and tobacco	1.9	103.63	107.17	107.88	0.7	4.1
3	Clothing and footwear	10.8	107.71	110.72	111.23	0.5	3.3
4	Housing, water, electricity, gas and other fuels	15.1	107.65	109.19	110.68	1.4	2.8
5	Furnishings, household equipment and routine household maintenance	7.9	107.96	111.41	111.86	0.4	3.6
6	Health	2.5	104.94	106.35	106.38	0.0	1.4
7	Transport	14.1	110.48	113.77	113.73	0.0	2.9
8	Information and communication	5.4	103.53	104.72	104.85	0.1	1.3
9	Recreation, sport and culture	1.6	104.67	107.58	108.23	0.6	3.4
10	Education services	2.0	101.90	105.48	105.48	0.0	3.5
11	Restaurants and accommodation services	6.6	108.39	113.14	113.28	0.1	4.5
12	Insurance and financial services	2.1	100.10	100.66	100.74	0.1	0.6
13	Personal care, social protection and miscellaneous goods and services	2.1	105.74	109.27	109.48	0.2	3.5
TOTAL – ALL ITEMS INDEX		100.0	109.16	112.18	112.67	0.4	3.2
Other Selected Groups							
1	Core Index	73.9	107.64	110.25	110.49	0.2	2.6
2	Non-Core Index	26.1	113.45	117.66	119.17	1.3	5.0
3	Energy, Fuel and Utilities Index	5.7	111.96	113.88	117.87	3.5	5.3
4	Services Index	37.2	106.53	109.27	109.27	0.0	2.6
5	Goods Index	62.8	110.71	113.90	114.81	0.8	3.7
6	Education services and products ancillary to education Index	4.1	104.90	108.19	108.26	0.1	3.2
7	All items Less Food and Non-Alcoholic Beverages	71.8	107.31	110.06	110.55	0.5	3.0

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 indicates that, Annual Headline Inflation Rate for the month of November, 2023 has stagnated at 3.2 as it was recorded for the month of October, 2023. The stagnation of the headline inflation explains that, the speed of price change for commodities for the year ended November, 2023 remains the same as the speed that was recorded for the year ended October, 2023. The overall index went up from 109.16 recorded in November, 2022 to 112.67 in November, 2023.

2.2 **Food and Non-Alcoholic Beverages Inflation Rates**

Food and Non-Alcoholic Beverages Inflation Rate for November, 2023 decreased to 3.7 percent from 4.5 percent that was recorded in October, 2023. Annual Inflation Rate for all items without food and non-alcoholic beverages for November, 2023 has increased to 3.0 percent from 2.6 percent that was recorded in October, 2023.

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 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 Core inflation rate in November, 2023 has increased to 2.6 percent from 2.5 percent that was recorded in October, 2023.

Chart 1: Movement of National Consumer Price Indices (NCPI) and Inflation Rates from November, 2022 – November, 2023. (2020 = 100)

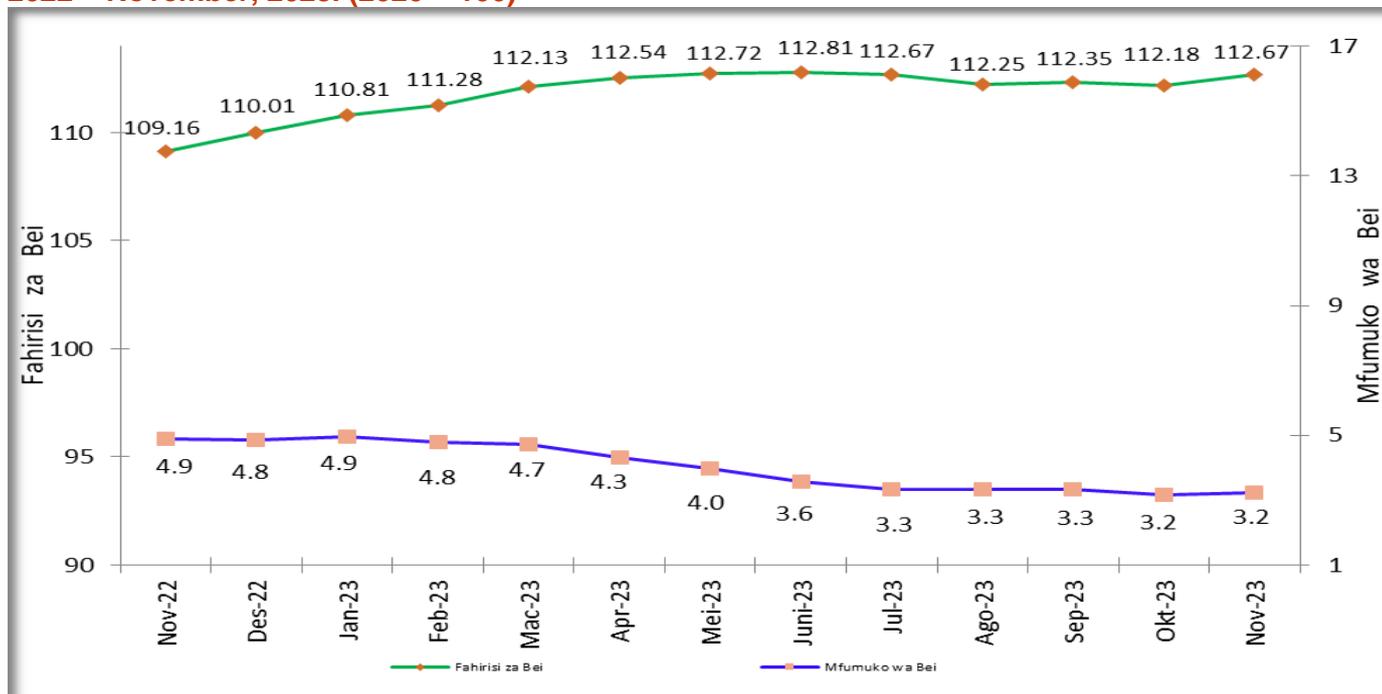


Chart 1 indicates that; NCPI has shown a relatively stable price movement from November, 2022 to November, 2023 ranging between 109.16 and 112.67 respectively. In addition, Annual Headline Inflation Rates over the same period have also shown a stable trend that ranges between 3.2 percent and 4.9 percent.

3.0 MONTHLY CONSUMER PRICE INDEX BETWEEN OCTOBER, 2023 AND NOVEMBER, 2023

The National Consumer Price Index for November, 2023 has increased to 112.67 from 112.18 that was recorded in October 2023. The increase of the overall index is mainly 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 1.4 percent, rice by 2.0 percent, sorghum by 2.7 percent, finger millet grains by 2.1 percent, sardines by 1.0 percent, sunflower oil by 1.3 percent, fruits by 1.6 percent, groundnut by 0.7 percent, vegetables by 2.2 percent, irish potatoes by 0.6 percent, sweet potatoes by 0.4 percent, cooking bananas by 4.1 percent, spotted bean by 0.9 percent, soya beans by 2.4 percent, dried lentils by 2.0 percent, dry cassava by 2.2 percent and flour of cassava by 3.0 percent. On the other hand, some non-food items that contributed to an increase of the index include; alcoholic beverages and tobacco by 0.8 percent, clothing materials by 0.1 percent, garments for men by 0.4 percent, garments for women by 0.6 percent, garments for children by 0.6 percent, footwear for men by 0.8 percent, footwear for women by 0.4 percent, products and materials for the maintenance of the dwelling by 0.5 percent, kerosene by 8.8 percent, firewood by 5.7 percent, charcoal by 6.2 percent, household furniture by 1.0 percent, recreation, sport and culture by 0.6 percent and accommodation services in hotels/Lorges/GuestHouse by 0.6 percent.

Table 2: NCPI Release Schedule for the Coming Months

NCPI Release Months	Release date
December, 2023	08 th January, 2024
January, 2024	08 th February, 2024
February, 2024	08 th March, 2024

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

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