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PRESS RELEASE

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NATIONAL CONSUMER PRICE INDEX (NCPI) FOR SEPTEMBER, 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 SEPTEMBER, 2023 STAND AT 3.3 PERCENT
Table 1: Changes in the NCPI for September 2023, (2020 = 100)

| S/N | Main Groups | Weight | September, 2022 | August, 2023 | September, 2023 | 1 Month Percent Change | 12 Month Percent Change |
|--------------------------------|---|--------------|-----------------|---------------|-----------------|------------------------|-------------------------|
| 1 | Food and non-alcoholic beverages | 28.2 | 111.89 | 117.80 | 118.17 | 0.3 | 5.6 |
| 2 | Alcoholic beverages and tobacco | 1.9 | 103.52 | 107.28 | 107.30 | 0.0 | 3.6 |
| 3 | Clothing and footwear | 10.8 | 107.56 | 110.92 | 110.81 | -0.1 | 3.0 |
| 4 | Housing, water, electricity, gas and other fuels | 15.1 | 107.98 | 109.82 | 109.41 | -0.4 | 1.3 |
| 5 | Furnishings, household equipment and routine household maintenance | 7.9 | 107.24 | 111.50 | 111.44 | -0.1 | 3.9 |
| 6 | Health | 2.5 | 104.63 | 106.33 | 106.37 | 0.0 | 1.7 |
| 7 | Transport | 14.1 | 112.28 | 113.23 | 113.42 | 0.2 | 1.0 |
| 8 | Information and communication | 5.4 | 103.16 | 104.65 | 104.93 | 0.3 | 1.7 |
| 9 | Recreation, sport and culture | 1.6 | 104.67 | 106.95 | 107.45 | 0.5 | 2.7 |
| 10 | Education services | 2.0 | 101.89 | 105.26 | 105.48 | 0.2 | 3.5 |
| 11 | Restaurants and accommodation services | 6.6 | 107.23 | 112.76 | 113.04 | 0.2 | 5.4 |
| 12 | Insurance and financial services | 2.1 | 100.54 | 100.79 | 100.65 | -0.1 | 0.1 |
| 13 | Personal care, social protection and miscellaneous goods and services | 2.1 | 105.32 | 109.53 | 109.46 | -0.1 | 3.9 |
| TOTAL – ALL ITEMS INDEX | | 100.0 | 108.73 | 112.25 | 112.35 | 0.1 | 3.3 |
| Other Selected Groups | | | | | | | |
| 1 | Core Index | 73.9 | 107.89 | 110.27 | 110.33 | 0.1 | 2.3 |
| 2 | Non-Core Index | 26.1 | 111.10 | 117.89 | 118.08 | 0.2 | 6.3 |
| 3 | Energy, Fuel and Utilities Index | 5.7 | 112.97 | 114.55 | 113.99 | -0.5 | 0.9 |
| 4 | Services Index | 37.2 | 106.94 | 109.18 | 109.27 | 0.1 | 2.2 |
| 5 | Goods Index | 62.8 | 109.79 | 114.07 | 114.17 | 0.1 | 4.0 |
| 6 | Education services and products ancillary to education Index | 4.1 | 105.06 | 108.20 | 108.34 | 0.1 | 3.1 |
| 7 | All items Less Food and Non-Alcoholic Beverages | 71.8 | 107.49 | 110.08 | 110.06 | 0.0 | 2.4 |

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 September, 2023 stagnated at 3.3 percent as it was recorded for the month of August, 2023. The stagnation of the headline inflation explains that, the speed of price change for commodities for the year ended September, 2023 remains the same as the speed that was recorded for the year ended August, 2023. The overall index went up from 108.73 recorded in September, 2022 to 112.35 in September, 2023.

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

Food and Non-Alcoholic Beverages Inflation Rate for September, 2023 stagnated at 5.6 percent as it was recorded in August, 2023. Similarly, Annual Inflation Rate for all items without food and non-alcoholic beverages for September, 2023 stagnated at 2.4 percent as it was recorded in August, 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 September, 2023 has slightly increased to 2.3 percent from 2.2 percent that was recorded in August, 2023.

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

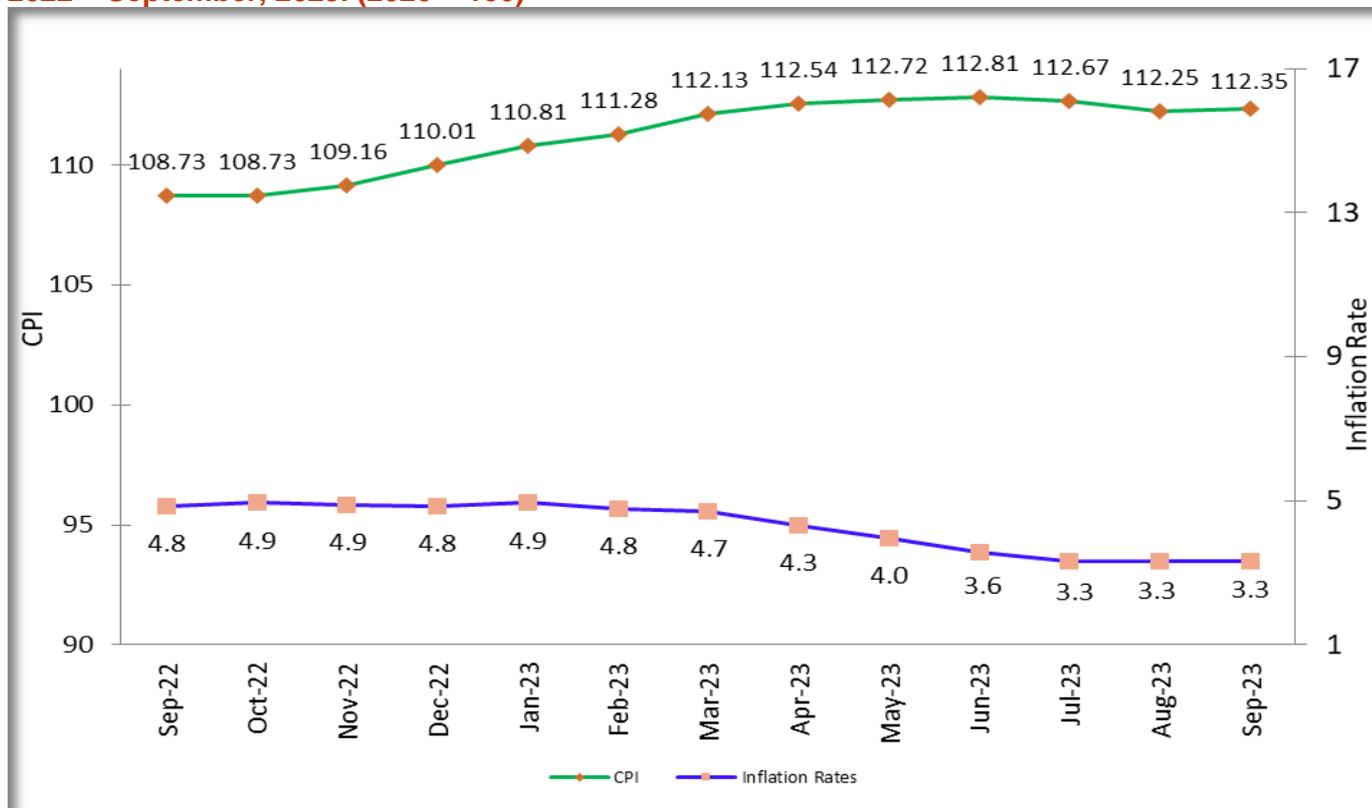


Chart 1 indicates that; NCPI has shown a relatively stable price movement from September, 2022 to September, 2023 ranging between 108.73 and 112.35 respectively. In addition, Annual Headline Inflation Rates over the same period have also shown a stable trend that ranges between 3.3 percent and 4.9 percent.

3.0 MONTHLY CONSUMER PRICE INDEX BETWEEN AUGUST, 2023 AND SEPTEMBER, 2023

The National Consumer Price Index for September, 2023 has increased to 112.35 from 112.25 that was recorded in August 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: rice by 1.2 percent, sorghum grains by 1.2 percent, maize grains by 2.3 percent, sorghum flour by 3.6 percent, bread by 0.6 percent, fresh fish by 2.7 percent, chicken eggs by 0.7 percent, cocoyam by 3.9 percent, cassava dry by 4.0 percent and sugar by 0.5 percent. On the other hand, some non-food items that contributed to an increase of the index include; kerosene by 4.6 percent, diesel by 5.1 percent, petrol by 1.2 percent and recreation, sport and culture by 0.5 percent.

Table 2: NCPI Release Schedule for the Coming Months

| NCPI Release Months | Release date |
|----------------------------|---------------------------------|
| October, 2023 | 08 th November, 2023 |
| November, 2023 | 08 th December, 2023 |
| December, 2023 | 08 th January, 2024 |

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

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