



Prices

Price \$3.00

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Consumer Price Index (Feb 2019 = 100) – August 2020

The month on month inflation rate in August 2020 was 8.44 percent shedding 27.09 percentage points on the July 2020 rate of 35.53 percent. **(See note on period of data collection below).**

This means that prices as measured by the all items CPI increased by an average rate of 8.44 percent from July 2020 to August 2020.

The month-on-month inflation rate is given by the percentage change in the index of the relevant month of the current year compared with the index of the previous month in the current year.

The month on month Food and Non Alcoholic Beverages inflation rate stood at 6.30 percent in August 2020, shedding 31.69 percentage points on the July 2020 rate of 37.99 percent. The month on month non-food inflation rate stood at 10.03 percent, shedding 23.73 percentage points on the July 2020 rate of 33.76 percent.

The CPI for the month ending August 2020 stood at 2, 123.97 compared to 1, 958.72 in July 2020 and 246.68 in August 2019.

The year on year inflation rate (annual percentage change) for the month of August 2020 as measured by the all items Consumer Price Index (CPI) stood at 761.02 percent.

This means that prices as measured by the all items CPI increased by an average of 761.02 percent between August 2019 and August 2020.

The year-on-year inflation rate is given by the percentage change in the index of the relevant month of the current year compared with the index of the same month in the previous year.

Period of Data Collection

It is important to note that data on prices was collected during the period from 11 to 17 August 2020.

The changes in prices in this report refer to that period of data collection.

THE NEW CONSUMER PRICE INDEX

With effect from March 2019 ZIMSTAT is publishing the new Consumer Price Index (CPI) with new weights and a classification. The use of a Classification of Individual Consumption by Purpose (COICOP) resulted in the creation of a new classification which resulted in coming up with 83 classes, 41 groups and 12 divisions. The number of items in the CPI basket is 495.

The implementation of the COICOP classification is also part of the harmonisation project of Consumer Price Indices in different regions like the SADC region. All member states are supposed to adopt the new procedure to enable inter country comparisons of the CPI and the rate of inflation. The new weights are therefore applicable from February 2019 onwards.

Mean Month on Month Rates

The mean month on month inflation rate for the period January to August 2020 was 18.8 percent while the mean month on month inflation rate for the same period in 2019 was 14.2 percent. The annual average month on month inflation for 2019 was 17.0 percent.

Table 1: Month on month inflation rate from March 2019 to August 2020

Months	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
Month on month inflation rate	10.8	1.7	4.4	5.5	12.5	39.3	21.0	18.1	17.7	38.8	17.5	16.6	2.2	13.5	26.6	17.6	15.1	31.7	35.5	8.4

Figure 1: Month on month inflation rate from March 2019 to August 2020

