

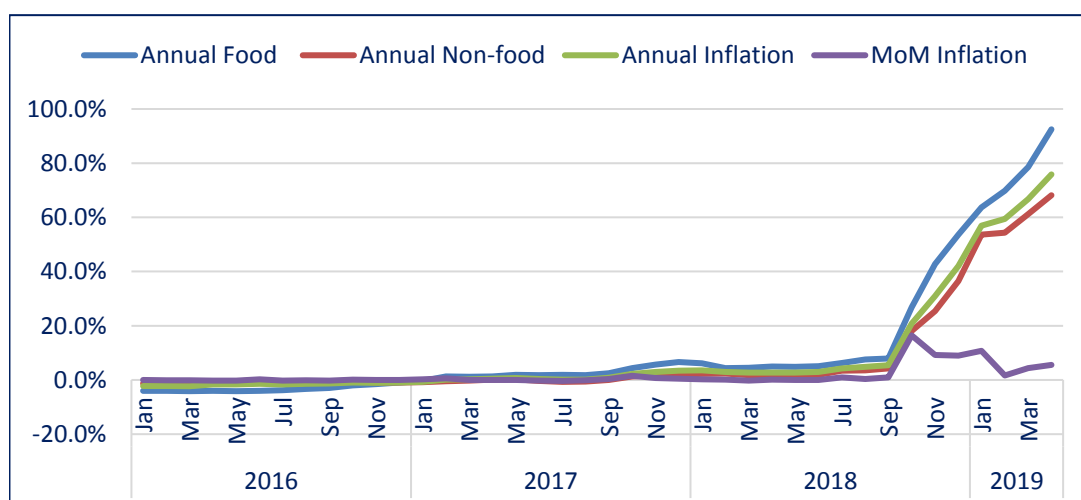
Monthly inflation rises to 5.5%...

Indicator	Apr 2018	Mar 2019	Apr 2019
Annual	2.71%	66.80%	75.86%
Month-on-Month	0.08%	4.38%	5.52%

Source: ZimStat

- According to the ZimStat, the year-on-year “y/y” rate of inflation increased from 66.8% in Mar 2019 to 75.9% in Apr 2019, setting another record level since dollarization in 2009.
- The y/y food and non-alcoholic beverages inflation rose from 78.6% to 92.5%, driven by increases in all categories. In fact, price increases ranging from 82%-121% were registered across this category led by food products, fruits, oils & fats as well as meat.
- The y/y non-food inflation also rose from 61.2% to 68.2%, over the same period, underpinned by higher prices for transport (fuel and passenger transport services), electricity (gas), furniture, clothing & footwear and education categories.
- Meanwhile, the underlying m/m inflation rate also rose from 4.4% to 5.5% between Mar 2019 and Apr 2019. Generally, prices increases were registered both on food and non-food items with double-digit growth recorded on beer, bread, oils & fats, pharmaceutical products, fees for primary and secondary education, spare parts and motor cars. Fig. 1 below outlines the inflation trend since Jan 2016.

Fig. 1: Inflation trend



Source: ZimStat

Outlook

Inflationary pressures are expected to remain elevated in the short-term driven by cost-push factors. In fact, the perpetual imbalance in the foreign exchange market and adverse inflation expectations will continue to drive price increases, whilst emerging risks such as electricity power cuts and anticipated food imports pose further risk on price stability.

...annual inflation at a record high of 75.9% in Apr 2019...

...month on month inflation also rose to 5.5%...

...cost-push factors remain dominant...

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