

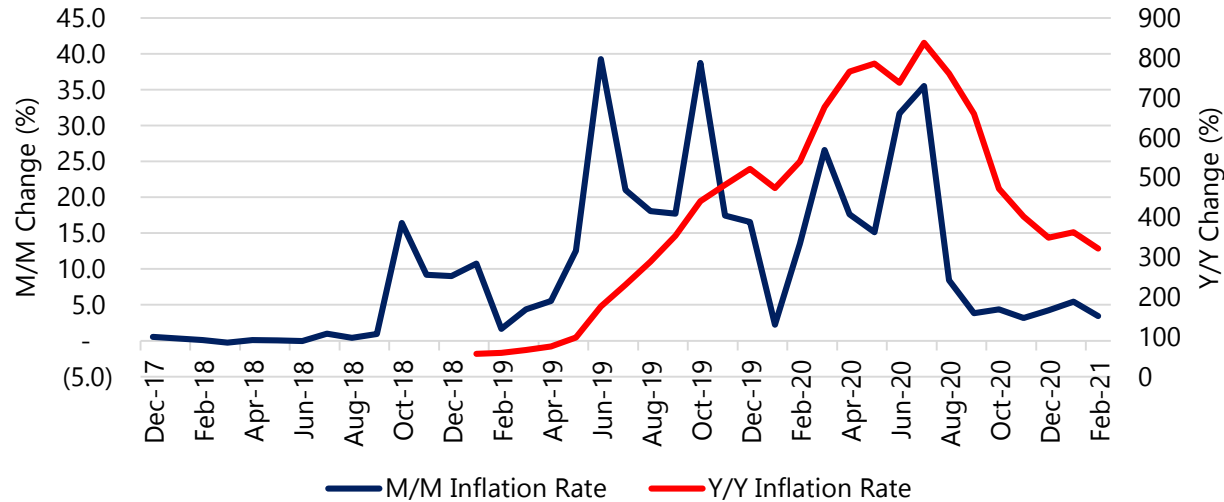


...Annual headline
consumer inflation receded
to 321.6% in February, the
lowest inflation rate since
August 2019...

INFLATION ALERT

February 2021

Graph 1: Inflation Trends



Graph 2: M/M Inflation Trends By CPI Sub-Categories

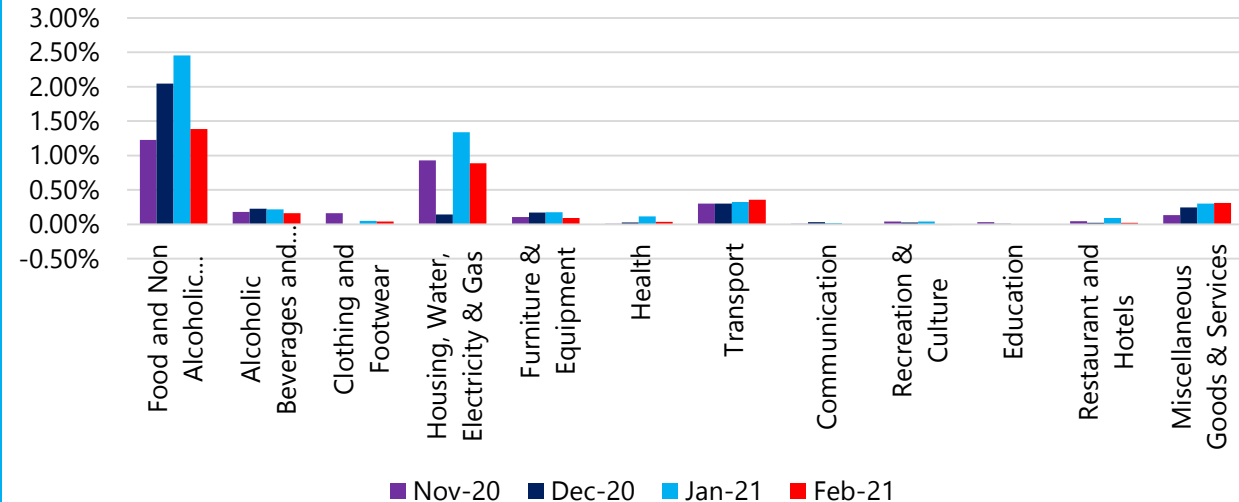


Table 1: Comparative Regional Inflation Rates

	M/M Inflation Rate (%)			Y/Y Inflation Rate (%)		
	December 2020	January 2021	February 2021	December 2020	January 2021	February 2021
South Africa	0.2	0.3	n/a	3.1	3.2	n/a
Kenya	1.0	0.6	n/a	5.6	5.7	n/a
Botswana	0.1	0.5	n/a	2.2	2.3	n/a
Tanzania	0.8	0.8	n/a	3.2	3.5	n/a
Zambia	3.2	3.7	2.5	19.2	21.5	22.2
Zimbabwe	4.2	5.4	3.4	348.6	362.6	321.6
Uganda	0.3	0.2	n/a	3.6	3.7	n/a

- According to the ZimStat, the annual headline consumer inflation receded in February 2021, to a 19-months low of 321.6%, from 362.3% recorded in January 2021 - **Graph 1**. The main contributors were 'food & non-alcoholic beverages', 'housing, water, electricity, gas & other fuels' and 'transport' categories which increased by 112.4%, 49.0% and 27.4%, respectively.
- Over the month, prices edged up by 3.5% in February 2021. Food (1.4%), housing, water...& fuels (0.9%) and transport (0.4%) categories were the major inflation drivers during the month- **Graph 2**.
- Meanwhile, since the adoption of the computerisation in CPI data collection and processing by ZimStat in January 2021 and the subsequent change of inflation publication dates, comparable inflation rates for most regional and trading partners lag by one month. However, inflation outturn for December 2020 and January 2021 shows that the country's inflation trends remain relatively above its peers – **Table 1**.
- Going forward, authorities would need to intensify efforts to thaw inflationary pressures emanating from rising global fuel and food prices, adjustments to domestic utility charges, etc. Subdued demand, exchange rate stability and a potential improved output from the 2020/21 agricultural season may somewhat limit the inflationary pressures.

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