

Zimbabwe inflation closes in on 8000%

Zimbabwe's Central Statistical Office (CSO) has announced that the inflation rate rose to a new record of 7 982.1% year-on-year in September, from 6 592.8% in August. The office ascribes the rise to being driven by non-food items.

The month-on-month inflation rate climbed 38.7% in September, the CSO said, adding that non-food inflation – rising water, housing, power, transport and health costs – drove inflation higher in September. Food inflation was marginally lower, it said.

"Year-on-year food and non-alcoholic beverages inflation stood at 7 759%, 149.1 percentage points down from the August 2007 figure of 7 908.1%, while non-food inflation was 8 096.7% ... from the August figure 5 983.9%," the CSO said.

Zimbabwe's inflation figure is the world's highest despite a controversial price freeze imposed in June by President Robert Mugabe in a bid to stem runaway price increases. At the time, many financial experts said that the price freeze would not work. It in fact caused chaos and shortages as shelves were emptied but retailers could not restock their shelves with goods and sell at a profit; the price freeze dictated that the majority would have to sell for less than they paid their suppliers. The result: empty shelves.

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