



SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
TOWARDS A COMMON FUTURE

SADC Harmonised Consumer Price Indices (HCPI) May 2013

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As measured by the HCPI, the annual inflation rate for the SADC Region was 6.9% in May 2013 compared to May 2012. Monthly inflation rate was -0.3% in May 2013, a decrease of 0.6 percentage points compared to the rate in April 2013.

Introduction

This is the fifth issue of the news release relating to Stage 2 or the full scale HCPI for the SADC region. It is also the twenty second in series since the launch of news releases on SADC HCPI initiative.

As observed in the last four news releases, relating to January, February, March and April 2013 HCPIs for SADC, Stage 2 or full scale HCPI differs from Stage 1 HCPI in three main aspects which are explained and elaborated in the last four SADC HCPI news releases.

Annual Inflation rates for SADC Member States

The reported annual inflation rates for May 2013 for Member States indicate that Malawi once again registered the highest rate of 32.9% among the SADC countries, whereas Democratic Republic of Congo recorded the lowest rate of 1.5%. For Malawi this is the thirteenth month in a row that it has continuously recorded highest inflation rate among the SADC Member States. Annual rates for the rest of the other Member

States were reported as follows: Botswana (6.5%), Lesotho (6.9%), Madagascar (4.7%), Mauritius (4.6%), Mozambique (5.2%), Namibia (8.3%), Seychelles (5.3%), South Africa (6.3%), Swaziland (3.6%), Tanzania (9.0%), Zambia (8.5%) and Zimbabwe (4.8%) as reflected in table 2 below.

Compared to the SADC regional annual average inflation rate of 6.9%, nine countries recorded rates below the regional annual inflation rate for May 2013. Five countries registered rates higher than the regional average. See figure 3 below for more details.

Month on month Inflation rates

Six countries recorded declines in their month on month inflation rates including South Africa and Tanzania which have the highest shares in the SADC HCPI country weights (64.34 and 8.05 percent respectively). The other countries which recorded negative monthly inflation rates are Malawi, Mauritius, Mozambique and Zimbabwe, as reflected in table 1 below.

Annual Inflation Rates by COICOP divisions

In terms of Classification of Individual Consumption by Purpose (COICOP) major divisions, all divisions registered increases in their annual indices in May 2013 compared to May 2012 as follows: Alcoholic Beverages and Tobacco (8.8%), Miscellaneous Goods and Services (7.8%), Housing, Electricity, Water, Gas and Other Fuels (7.6%), Recreation and Culture (7.4%), Transport (6.6%), Food and Non Alcoholic Beverages (6.2%), Clothing and Footwear (4.8%), Furnishings, Household Equipment and Routine Maintenance of House (4.8%), Communications (4.3%), and Restaurants and Hotels (4.1%). See table 4 below.

Month on Month Inflation Rates by COICOP divisions

Food and non-alcoholic beverages and Transport divisions of COICOP, the top two highest expenditure weights in the SADC HCPI registered declines in their monthly indices of 0.4% 1.2% respectively. Communications also recorded a decline of 0.1%. The remaining divisions recorded increases. See table 3 below.

Figure 1: Month on month inflation rate (%) in SADC region for the period: May 2012 to May 2013

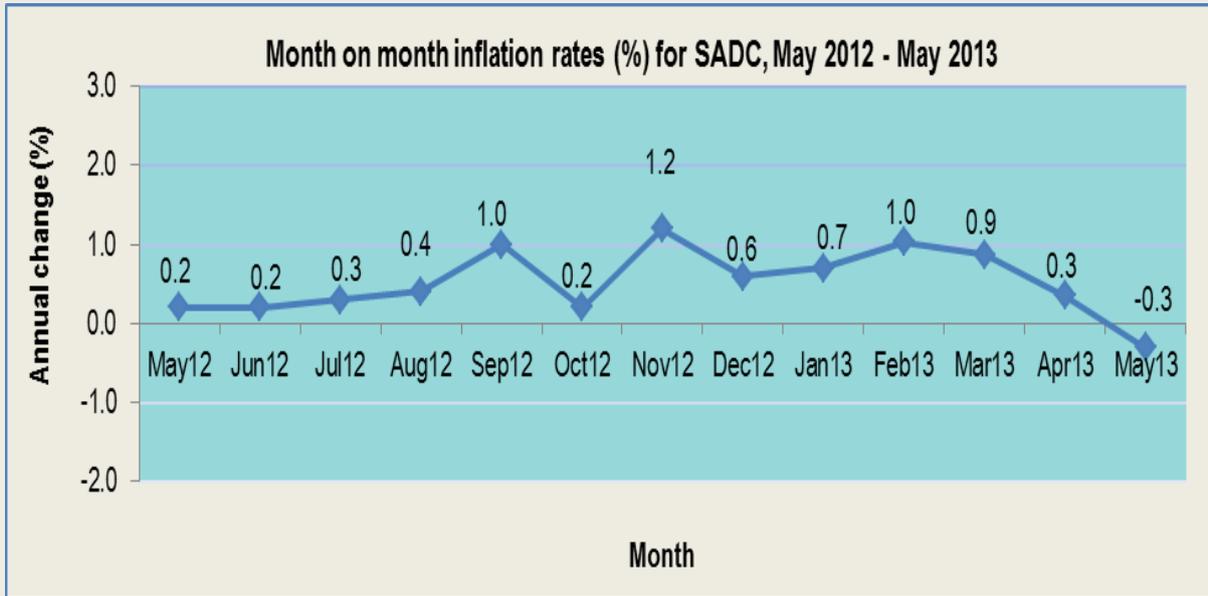


Figure 2: Annual inflation rate (%) in SADC region for the period: May 2012 to May 2013

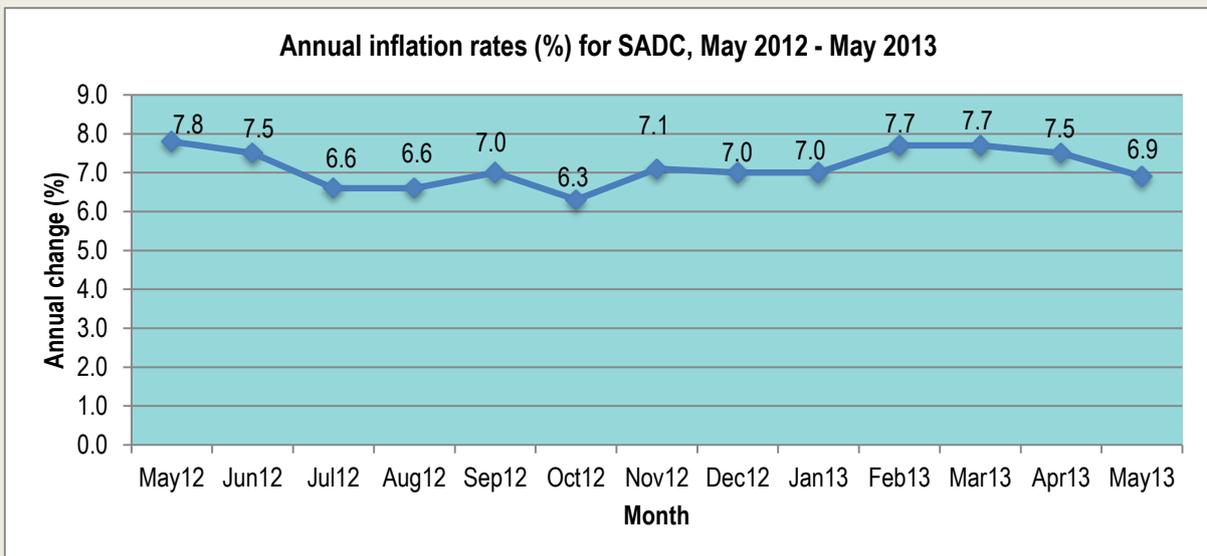


Figure 3: Annual inflation rate (%) for SADC region and SADC Member States as at May 2013

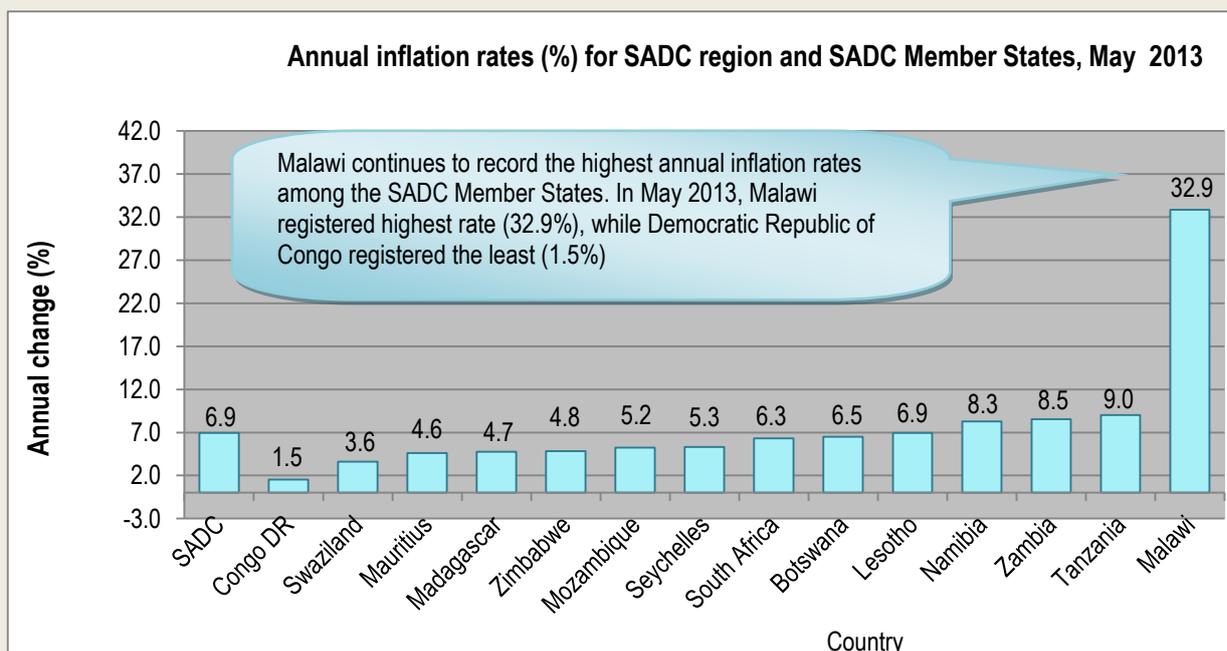


Table 1: Month on month inflation rates (%) for SADC Member States as measured by National HCPIs, 2013

Member State	Country weights	Month on month (%)				
		Dec12 Jan13	Jan13 Feb13	Feb13 Mar13	Mar13 Apr13	Apr13 May13
Angola*		0.5	0.9	0.9	0.7	0.9
Botswana	2.32	1.1	0.2	0.3	0.6	0.2
Congo DR	4.89	0.1	0.3	0.1	0.1	0.1
Lesotho	0.76	2.3	-0.4	-0.1	0.4	1.8
Madagascar	3.56	1.3	0.4	0.6	0.1	0.2
Malawi	1.61	7.3	5.6	0.6	0.0	-3.3
Mauritius	2.30	1.6	-1.2	-0.3	-2.0	-0.8
Mozambique	4.03	1.4	1.2	0.3	0.3	-0.4
Namibia	1.87	1.8	0.4	0.9	1.2	0.4
Seychelles	0.16	1.1	0.6	0.6	0.2	0.7
South Africa	64.34	0.2	1.0	1.2	0.4	-0.4
Swaziland	1.23	2.0	0.7	-0.9	-0.9	0.2
Tanzania	8.05	1.4	1.5	0.2	0.7	-0.6
Zambia	3.11	2.1	1.3	1.0	0.6	1.0
Zimbabwe	1.78	1.6	0.7	0.6	0.0	-0.2
SADC	100.00	0.7	1.0	0.9	0.3	-0.3

Angola did not participate in the 2009 ICP round hence there is no Household Final Monetary Consumption Expenditure data (HFMCE) which are used as country weights for HCPI compilation

Table 2: Annual inflation rates (%) for SADC Member States as measured by National HCPIs, 2013

Member State	Country weights	Annual (%)				
		Jan12 Jan13	Feb12 Feb13	Mar12 Mar13	Apr12 Apr13	May12 May13
Angola*						
Botswana	2.32	8.6	8.5	8.3	8.0	6.5
Congo DR	4.89	1.6	2.8	1.7	1.4	1.5
Lesotho	0.76	7.0	6.2	5.0	5.5	6.9
Madagascar	3.56	5.6	5.3	5.0	4.5	4.7
Malawi	1.61	36.2	41.7	43.0	41.8	32.9
Mauritius	2.30	6.1	6.3	5.6	2.9	4.6
Mozambique	4.03	2.8	4.3	4.4	5.0	5.2
Namibia	1.87	8.2	7.9	7.9	8.8	8.3
Seychelles	0.16	6.8	7.0	7.4	6.1	5.3
South Africa	64.34	6.0	6.8	7.1	7.0	6.3
Swaziland	1.23	7.5	7.2	6.4	3.4	3.6
Tanzania	8.05	11.5	11.1	10.1	9.8	9.0
Zambia	3.11	5.9	7.1	7.7	7.8	8.5
Zimbabwe	1.78	5.7	5.6	5.2	5.0	4.8
SADC	100.00	7.0	7.7	7.7	7.5	6.9

Angola did not participate in the 2009 ICP round hence there is no Household Final Monetary Consumption Expenditure data (HFMCE) which are used as country weights for HCPI compilation

Figure 4: COICOP Divisions annual inflation rates as at May 2013

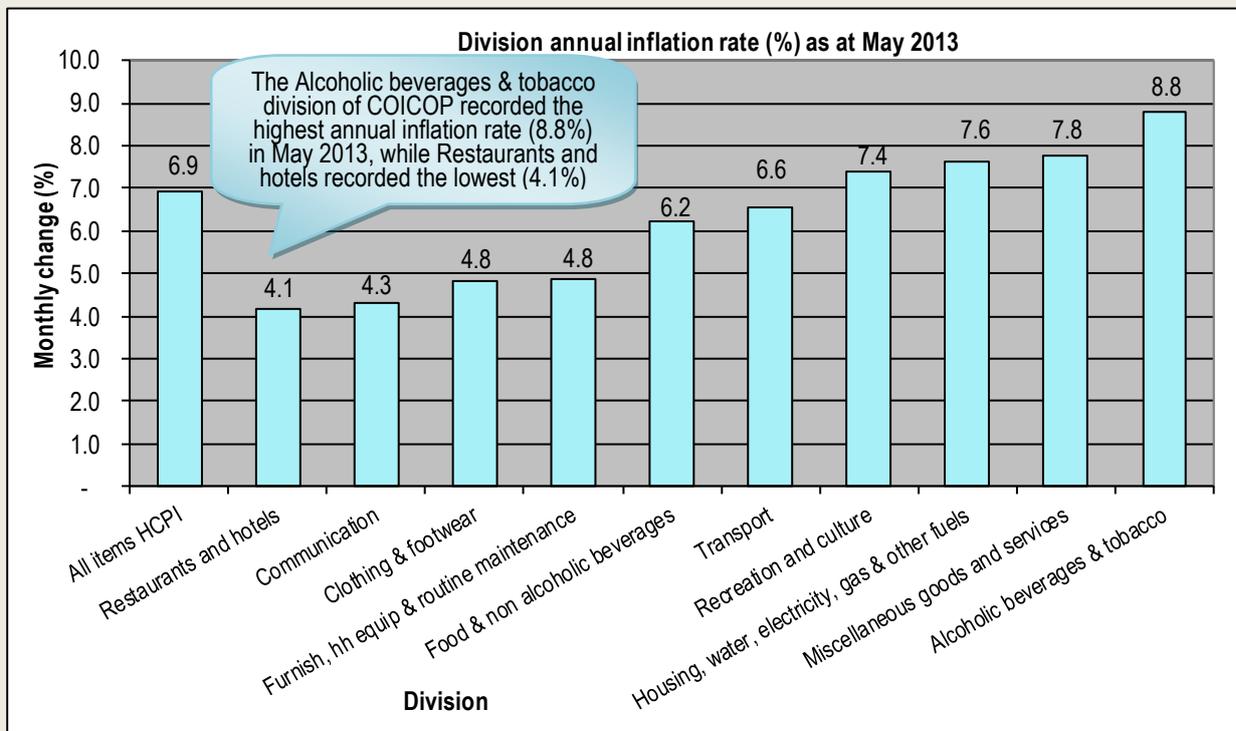


Table 3: Month on month inflation rates (%) for the COICOP divisions, 2013

Divisions	Division weights	Month on month (%)				
		Dec 12 Jan13	Jan13 Feb13	Feb13 Mar13	Mar13 Apr13	Apr13 May13
All items HCPI	1000.00	0.7	1.0	0.9	0.3	-0.3
Food & non-alcoholic beverages	300.39	1.0	0.3	0.0	0.4	-0.4
Alcoholic beverages & tobacco	54.36	0.8	0.9	1.9	1.2	0.3
Clothing & footwear	54.36	-0.2	0.2	0.5	0.3	0.5
Housing, water, electricity, gas & other fuels	125.96	0.1	-0.3	0.7	0.3	0.1
Furnish, household equip & routine maintenance	56.23	0.5	0.1	0.6	0.0	0.0
Health	15.69		2.0	0.1	1.1	0.4
Transport	149.39	1.2	1.1	2.0	0.4	-1.2
Communication	26.12	1.1	0.0	0.5	-0.5	-0.1
Recreation and culture	27.97	1.2	0.8	0.6	0.5	0.1
Education	29.36		0.3	5.9	0.1	0.3
Restaurants and hotels	43.28	-0.7	-0.1	0.3	0.5	0.3
Miscellaneous goods and services	116.88	0.4	3.4	0.1	0.3	0.0

Table 4: Annual inflation rates (%) for the COICOP divisions, 2013

Divisions	Division weights	Annual (%)				
		Jan12 Jan13	Feb12 Feb13	Mar12 Mar13	Apr12 Apr13	May12 May13
All items HCPI	1000.00	7.0	7.7	7.7	7.5	6.9
Food & non-alcoholic beverages	300.39	6.1	6.5	6.1	6.5	6.2
Alcoholic beverages & tobacco	54.36	9.4	10.1	8.0	8.7	8.8
Clothing & footwear	54.36	5.1	4.6	4.6	4.6	4.8
Housing, water, electricity, gas & other fuels	125.96	8.9	8.2	8.0	7.9	7.6
Furnish, household equip & routine maintenance	56.23	5.8	5.8	5.4	5.1	4.8
Health	15.69					
Transport	149.39	9.1	9.1	10.0	8.6	6.6
Communication	26.12	5.1	5.3	5.0	4.9	4.3
Recreation and culture	27.97	6.9	6.7	7.5	7.1	7.4
Education	29.36					
Restaurants and hotels	43.28	5.7	5.2	4.3	4.1	4.1
Miscellaneous goods and services	116.88	5.3	8.2	7.9	8.0	7.8

Table 5: Month on month inflation rates (%) for SADC Member States as measured by National HCPIs, 2012

Member State	Country weights	Month on month inflation rates											
		Dec11	Jan12	Feb12	Feb12	Ápr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12
		Jan12	Feb12	Feb12	Apr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12
Angola													
Botswana	1.4	0.5	0.2	0.5	0.9	1.6	0.5	0.2	0.5	0.9	0.4	1.1	0.4
Congo DR	2.4	2.1	-0.9	1.2	0.3	0.1	0.2	0.3	0.0	0.0	0.1	0.1	0.1
Lesotho	0.9	0.2	0.3	1.1	-0.1	0.5	0.3	0.2	0.3	0.9	0.2	-0.8	1.5
Madagascar	3.4	1.2	0.8	0.9	0.6	0.0	-0.4	-0.2	0.2	0.4	0.5	0.6	0.9
Malawi	1.7	1.0	1.5	-0.3	0.8	3.2	2.4	0.3	3.7	3.6	2.5	3.1	3.5
Mauritius	2.4	0.1	-1.4	0.4	0.6	-2.4	-0.1	-0.3	0.2	-0.1	2.4	1.4	3.8
Mozambique	3.1	0.6	-0.3	0.2	-0.2	-0.6	-0.4	0.0	0.0	0.1	0.3	1.1	1.1
Namibia	1.4	0.5	0.6	0.8	0.4	0.9	-0.1	0.5	0.4	0.6	0.9	1.1	0.0
Seychelles*	-	0.1	0.4	0.3	1.4	1.5	0.7	0.5	0.1	0.3	0.1	0.1	0.1
South Africa	70.8	0.5	0.2	1.0	0.5	0.2	0.2	0.3	0.3	1.2	0.0	1.4	0.2
Swaziland	1.0	2.7	1.0	-0.2	2.0	0.0	0.6	-0.1	1.0	-0.8	1.9	-0.4	0.2
Tanzania	7.8	1.9	1.8	1.1	0.9	0.1	0.3	0.1	0.8	1.0	0.4	0.8	2.1
Zambia	2.5	1.2	0.2	0.4	0.5	0.3	-0.3	0.6	0.8	0.7	0.5	-0.8	0.8
Zimbabwe	1.2	0.8	0.8	1.0	0.1	-0.1	0.6	-0.1	-0.1	0.7	0.6	0.3	0.2
SADC	100.0	0.8	0.4	0.9	0.5	0.2	0.2	0.3	0.4	1.0	0.2	1.2	0.6

*Seychelles did not participate in the 2005 ICP round hence there is no Household Final Monetary Consumption Expenditure data (HFMCE) which are used as country weights for HCPI compilation

Table 6: Annual inflation rates (%) and annual averages (%) for SADC Member States as measured by National HCPIs, 2012

Member State	Country weights	Annual inflation rates												Avg12
		Jan11	Feb11	Mar11	Ápr11	May11	Jun11	Jul11	Aug11	Sep11	Oct11	Nov11	Dec11	
		Jan12	Feb12	Mar12	Ápr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12	
Angola*														
Botswana	1.4	9.3	8.5	8.2	7.8	8.4	7.9	7.9	7.2	7.7	7.5	7.9	7.9	8.0
Congo DR	2.4	20.7	19.8	20.3	19.1	17.9	14.5	13.2	9.7	8.3	3.7	4.2	3.6	12.5
Lesotho	0.9	11.0	8.3	9.0	7.9	7.8	7.2	7.2	5.6	6.1	5.5	3.9	4.8	7.0
Madagascar	3.4	7.1	5.4	6.3	7.7	8.5	8.0	7.7	7.7	7.8	7.3	6.8	5.5	5.6
Malawi	1.7	11.1	10.4	10.5	13.6	16.6	18.9	17.0	20.7	23.9	25.3	27.8	28.3	18.8
Mauritius	2.4	5.0	1.9	1.9	2.1	1.8	2.7	2.4	2.5	2.6	4.7	4.4	4.5	3.1
Mozambique	3.1	4.8	3.4	3.7	3.3	2.1	2.1	1.8	1.3	1.5	1.7	2.3	1.9	2.5
Namibia	1.4	7.3	7.4	7.4	6.7	7.1	6.6	6.8	6.7	7.4	6.6	7.5	6.9	7.0
Seychelles*	-	4.4	4.7	4.9	6.1	7.3	7.8	7.8	7.3	7.3	7.2	6.2	5.8	6.4
South Africa	70.8	7.4	7.4	7.1	7.1	6.6	6.3	5.5	5.5	6.2	5.3	6.5	6.4	6.4
Swaziland	1.0	10.2	11.0	9.5	10.4	9.7	10.1	9.8	10.0	9.0	10.2	9.1	8.2	9.8
Tanzania	7.8	20.5	20.3	19.8	19.5	18.8	17.9	15.9	15.0	13.4	12.8	12.0	12.1	16.3
Zambia	2.5	3.0	2.7	1.9	4.0	4.5	3.8	2.4	4.0	4.3	4.3	3.7	4.9	3.6
Zimbabwe	1.2	-1.9	-0.3	0.8	1.4	2.0	2.8	2.6	2.8	3.8	4.5	4.5	4.8	2.3
SADC	100.0	8.6	8.3	8.1	8.2	7.8	7.5	6.6	6.6	7.0	6.3	7.1	7.0	7.4

*Seychelles did not participate in the 2005 ICP round hence there is no Household Final Monetary Consumption Expenditure data (HFMCE) which are used as country weights for HCPI compilation

Table 7: Month on month inflation rates (%) for the COICOP divisions, 2012

Divisions	Division Weights	Month on month inflation rates											
		Dec11	Jan12	Feb12	Mar12	Apr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12
		Jan12	Feb12	Mar12	Apr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12
All items HCPI	1 000.00	0.8	0.4	0.9	0.5	0.2	0.2	0.3	0.4	1.0	0.2	1.2	0.6
Food & non-alcoholic beverages	319.22	1.6	0.0	0.3	0.1	-0.1	-0.2	-0.1	0.1	1.5	0.2	2.6	0.6
Alcoholic beverages & tobacco	72.61	0.5	0.2	4.2	0.6	0.2	0.4	0.7	0.5	0.2	0.2	0.5	0.3
Clothing & footwear	60.42	0.5	0.6	0.3	0.3	0.3	0.4	0.4	0.6	0.4	0.2	0.6	0.3
Housing, water, electricity, gas & other fuels	136.69	0.3	0.4	0.7	0.5	0.4	0.6	3.3	0.9	0.8	0.2	0.2	0.5
Furnish, household equipment & maint. of house	74.92	0.7	0.1	1.0	0.3	0.3	0.9	0.2	0.3	0.3	0.1	0.7	0.6
Health													
Transport	154.97	-0.1	1.1	1.2	1.7	0.8	0.3	-1.7	0.6	2.3	0.1	0.8	0.4
Communication	31.64	0.1	-0.2	0.9	-0.4	0.4	0.1	0.2	0.7	0.4	0.2	1.3	0.1
Recreation and culture	41.70	0.3	1.1	-0.2	0.8	-0.2	0.7	0.5	0.0	0.5	0.1	1.8	-0.2
Education													
Restaurants and hotels	50.04	0.5	0.4	1.2	0.6	0.3	0.5	0.3	0.3	0.6	0.3	1.1	0.8
Miscellaneous goods & services	57.78	0.5	0.6	0.4	0.2	0.2	0.3	-0.1	0.5	-0.1	0.1	1.5	0.7

Table 8: Annual inflation rates (%) and annual averages (%) for the COICOP divisions, 2012

Divisions	Division Weights	Annual inflation												
		Jan11	Feb11	Mar11	Apr11	May11	Jun11	Jul11	Aug11	Sep11	Oct11	Nov11	Dec11	Avg12
		Jan12	Feb12	Mar12	Apr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12	
All items HCPI	1000.0	8.6	8.3	8.1	8.2	7.8	7.5	6.6	6.6	7.0	6.3	7.1	7.0	7.4
Food & non-alcoholic beverages	319.22	11.3	10.6	9.8	9.7	8.4	7.7	6.8	6.4	6.8	5.2	7.2	6.7	8.0
Alcoholic beverages & tobacco	72.61	6.7	6.7	8.2	8.0	8.1	8.4	8.9	8.8	8.9	8.8	8.6	8.9	8.1
Clothing & footwear	60.42	5.8	5.9	6.0	5.9	5.8	5.8	5.9	5.6	5.3	5.1	5.1	5.0	5.8
Housing, water, fuels etc	136.69	10.1	10.4	10.1	10.2	10.2	10.2	8.5	8.8	9.0	7.7	9.0	9.2	9.5
Furnish, h/hold equipment	74.92	4.5	4.1	4.4	4.7	4.6	4.6	4.7	4.6	4.5	4.1	5.1	5.5	4.6
Health														
Transport	154.97	10.4	10.3	9.7	10.0	9.7	8.9	7.0	6.9	8.9	7.6	7.7	7.6	8.6
Communications	31.64	-0.9	-1.1	-0.3	-0.7	-0.2	-0.2	-0.2	1.0	1.5	2.0	3.7	3.8	1.2
Recreation and culture	41.70	1.9	2.8	1.9	2.3	1.7	2.7	3.3	3.5	3.5	4.2	5.3	5.5	3.0
Education														
Restaurants and hotels	50.04	6.2	6.1	6.1	6.3	6.2	6.1	6.2	6.1	6.1	5.9	6.9	7.0	6.3
Miscellaneous goods & services	57.78	4.0	4.7	4.7	4.4	4.0	4.1	3.6	4.0	3.3	2.6	4.1	4.9	4.0

Table 9: SADC HCPI Time series data - December 2010 to date (December 2010=100)

Month	SADC HCPI			Month on month inflation rate			Year on year inflation rate		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
January	100.86	109.51	117.20	0.9	0.8	0.7		8.6	7.0
February	101.46	109.88	118.41	0.6	0.4	1.0		8.3	7.7
March	102.57	110.87	119.44	1.1	0.9	0.9		8.1	7.7
April	103.02	111.47	119.85	0.4	0.5	0.3		8.2	7.5
May	103.62	111.71	119.45	0.6	0.2	-0.3		7.8	6.9
June	104.16	111.96		0.5	0.2			7.5	
July	105.27	112.29		1.1	0.3			6.6	
August	105.77	112.74		0.5	0.4			6.6	
September	106.44	113.92		0.6	1.0			7.0	
October	107.42	114.17		0.9	0.2			6.3	
November	107.96	115.57		0.5	1.2			7.1	
December	108.66	116.29		0.7	0.6		8.7	7.0	
Annual average HCPI	104.77	112.53		0.7	0.6			7.4	

Measures of inflation

The annual rate measures the price change between the current month and the corresponding month of the previous year. The rate is responsive to recent changes in price levels but it can

also be influenced by one-off effects in either month.

The 12 month average compares the average HCPI in the latest 12 months to the average of the previous 12 months. It overcomes

the volatility of the annual measure. The monthly rate measures the price change between the two latest months. Although up to date, it can be affected by seasonal and other short-term effects

The Harmonised Consumer Price Index

The Harmonised Consumer Price Index (HCPI) is defined as the Consumer Price Index (CPI) developed from comparable methodologies. That means CPIs which have been developed from the concepts, definitions and methods that are comparable. CPIs are economic indicators that measure changes overtime of prices of consumer goods and services purchased by households. HCPI is meant to provide an official measure of inflation in the region, and it makes international comparisons easier since the national HCPIs are produced using harmonised methodologies and as much is practicable using the same statistical classifications, standards and frameworks.

Both the HCPIs and national CPIs measure inflation faced by consumers, and use the same

data sources in most part. However, the two measure inflation with different aims and therefore, sometimes may use different concepts and methods. HCPI's main use is for monetary policy, and is used as one of the convergence criteria to assess compliance of Member States to economic unions and to monitor progress towards integration. Member states of economic unions are given target inflation levels to achieve, in specified period to be considered for some preferential treatments within the integration. And this requires a harmonised conceptual framework and comparable results. The national CPIs in addition to being the measure of inflation have many other purposes such as cost of living which may require different methodologies.

The Member States HCPIs are produced by respective Member

States using agreed harmonised methodologies. The SADC HCPI is compiled by the SADC Secretariat by aggregating the National HCPIs of the Member States. These are calculated as weighted averages of the national HCPIs, using as weights each country's total household consumption expenditure converted to a common currency using the purchasing power parities derived from the results of the 2005 (for HCPIs prior to January 2013) and 2009 (For HCPIs since January 2013) International Comparison Program as supplied by the African Development Bank and the World Bank.

More information on SADC HCPI methodology can be availed on demand.

Acknowledgement

The SADC Secretariat duly acknowledges with thanks the continuous support and cooperation of the respective

National Statistics Offices of SADC Member States in providing monthly national HCPIs which forms the basis for the aggregate

SADC HPCI. The collaboration with COMESA and African Development Bank in this exercise is equally acknowledged.

Production team

This news release was produced under the auspices of the SADC Statistics Programme in the Directorate of Policy Planning Resource Mobilisation of the SADC Secretariat, Gaborone, Botswana.

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Further information pertaining to methodology and related aspects of the HCPI process in SADC can be obtained by directing inquires to the following two individuals whose contact details are presented below.

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Proposed Future release dates

Scheduled dates for the coming months are:

SADC HCPI for:	Publication date by SADC Secretariat
June 2013	05 th August 2013
July 2013	05 th September 2013
August 2013	07 th October 2013