



Stage I SADC Harmonised Consumer Price Indices October 2011

News Release
Issue No. 3

As measured by the HCPI, the month on month inflation rate for the SADC Region was 0.9% in October 2011, representing 0.3 percentage points increase from the rate observed in September 2011.

This news release is third in series and presents the Stage I HCPI figures for the SADC region for October 2011. Compilation of the Stage I SADC HCPIs is based on the national HCPIs of fourteen SADC Member States, including Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe. The scope of the HCPIs at this stage does not include the Education and Health divisions of the Classification of Individual Consumption by Purpose (COICOP). However the HCPI development must generally be in compliance with the international standards relating to development of Consumer Price Indices (CPI). The excluded items will be covered at a later stage.

The reported monthly inflation rates for October 2011 for Member States ranged from a highest of 4.5% for DRC and a lowest for Zimbabwe which registered a decrease of 0.1%. The rates for all Member States were reported as follows: Botswana (0.6%), Democratic Republic of Congo

(4.5%), Lesotho (0.8%), Madagascar (1.0%), Malawi (1.3%), Mauritius (0.3%), Mozambique (0.1%), Namibia (1.6%), Seychelles (0.2%), South Africa (0.9%), Swaziland (0.9%), Tanzania (1.0%), Zambia (0.4%) and Zimbabwe (-0.1%) as reflected in table 1 below.

In terms of COICOP major divisions, all divisions registered increases in their indices except for the Communications and Recreation and Culture divisions which registered decreases of 0.4 and 0.6 per-cent respectively, in October 2011 compared to September 2011. Other COICOP divisions registered increases in their price indices as follows: Food and Non Alcoholic Beverages (1.7%), Housing, Electricity, Water, Gas and Other Fuels (1.3%), Transport (1.2%), Miscellaneous Goods and Services (0.8%), Restaurants and Hotels (0.5%), Clothing and Footwear (0.4%), Furnishings, Household Equipment and Routine Maintenance of House (0.4%), and Alcoholic Beverages and Tobacco (0.3%). See table 2 below.

Figure 1: Monthly inflation rate (%) in SADC region for the period; January to October 2011

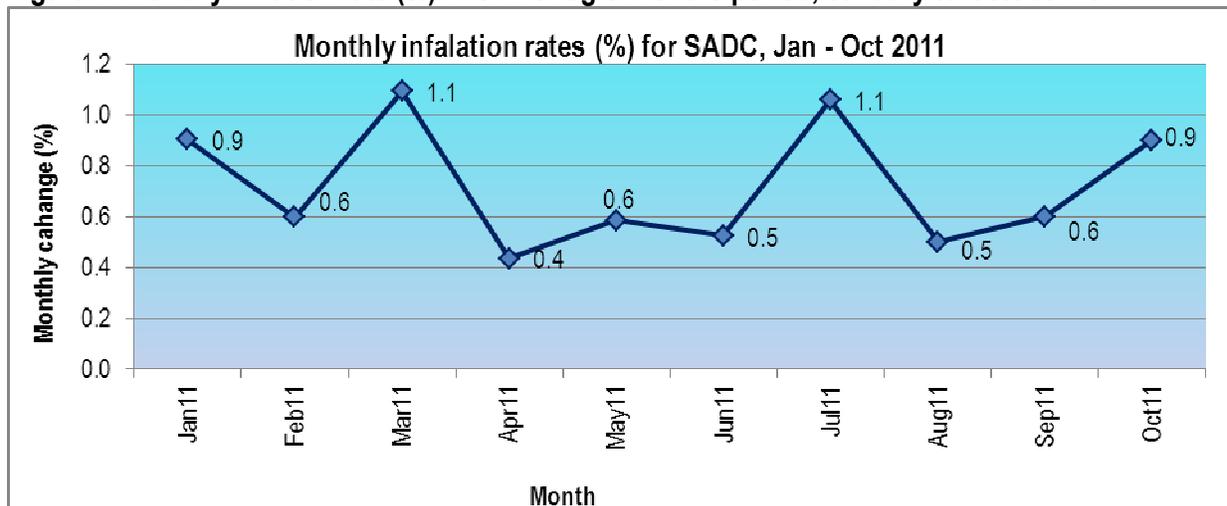


Figure 2: Monthly inflation rate (%) for SADC region and SADC Member States as at October 2011

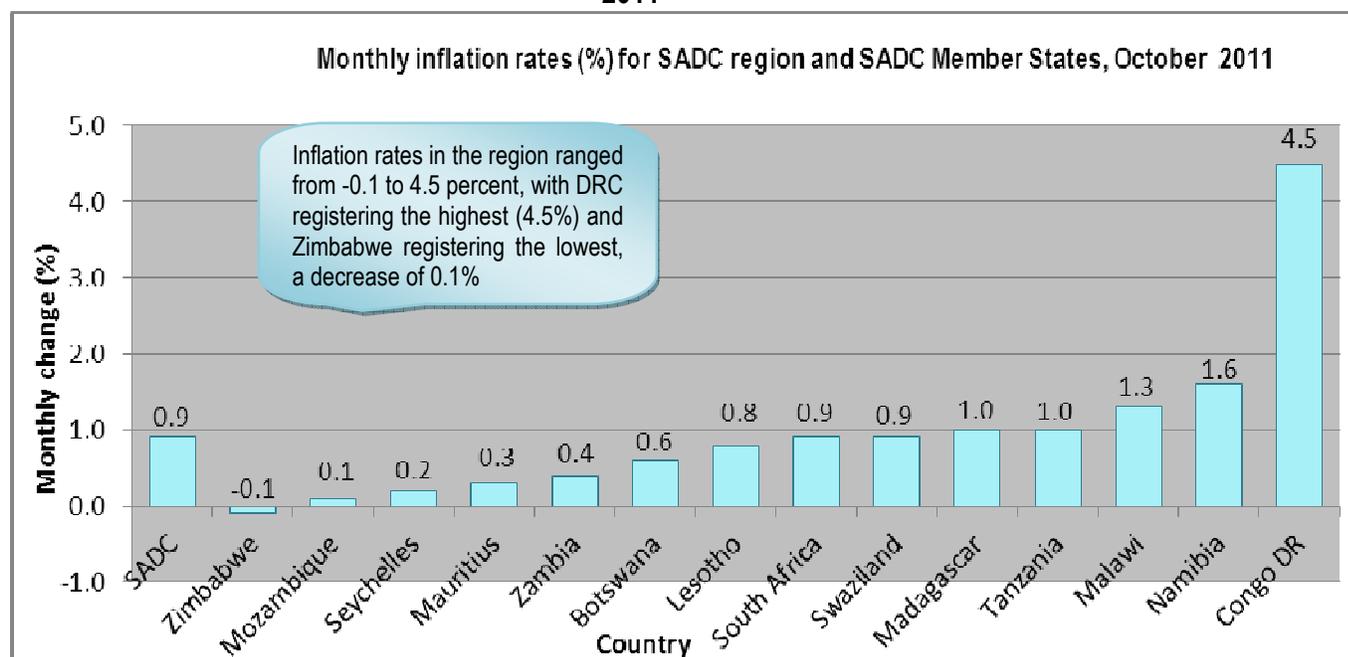


Table 1: Inflation rates (%) for SADC Member States as measured by National HCPIs

Member State	Country weights	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
		Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11
Angola											
Botswana	1.35	0.5	1.0	0.7	1.2	1.1	1.0	0.2	1.1	0.4	0.6
Congo DR	2.41	1.1	-0.1	0.8	1.3	1.1	3.1	1.5	3.2	1.3	4.5
Lesotho	0.86	0.8	2.7	0.4	1.0	0.5	0.9	0.2	1.8	0.5	0.8
Madagascar	3.42	2.6	2.4	0.0	-0.7	-0.7	0.0	0.0	0.3	0.3	1.0
Malawi	1.74	1.3	2.0	-0.4	-1.9	0.5	0.4	1.9	0.6	0.9	1.3
Mauritius	2.39	-1.6	1.6	0.5	0.4	-2.2	-1.0	0.1	0.1	-0.5	0.3
Mozambique	3.08	1.6	1.1	-0.1	0.2	0.5	-0.3	0.3	0.5	-0.1	0.1
Namibia	1.38	0.8	0.5	0.8	1.1	0.4	0.4	0.3	0.5	0.0	1.6
Seychelles*	-	0.1	0.2	0.1	0.2	0.3	0.2	0.5	0.6	0.4	0.2
South Africa	70.82	0.7	0.3	1.3	0.5	0.8	0.5	1.1	0.3	0.5	0.9
Swaziland	0.95	2.1	0.2	1.2	1.1	0.7	0.2	0.2	0.9	0.1	0.9
Tanzania	7.83	2.0	2.0	1.5	1.2	0.7	1.0	1.9	1.6	2.5	1.0
Zambia	2.54	2.0	0.5	1.2	-1.6	-0.2	0.4	1.9	-0.7	0.5	0.4
Zimbabwe	1.23	1.2	-0.8	-0.1	-0.5	-0.6	-0.2	0.1	-0.3	-0.2	-0.1
SADC	100.00	0.9	0.6	1.1	0.4	0.6	0.5	1.1	0.5	0.6	0.9

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

Figure 3: Divisions month on month inflation rates as at October 2011

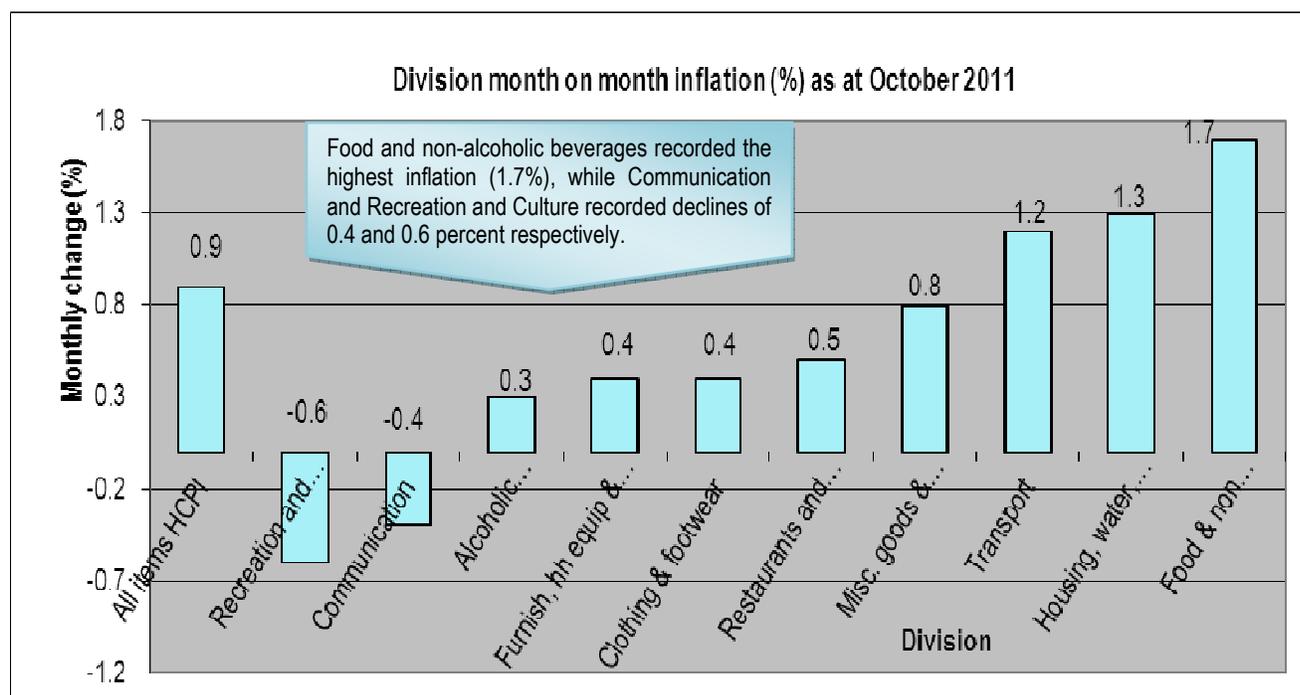


Table 2: Inflation rates (%) for the COICOP divisions from January to October 2011

Divisions	Divisions weights	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
		Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11
All items HCPI	1,000.00	0.9	0.6	1.1	0.4	0.6	0.5	1.1	0.5	0.6	0.9
Food & non-alcoholic beverages	319.3	2.0	0.7	1.1	0.1	1.1	0.4	0.8	0.5	1.1	1.7
Alcoholic beverages & tobacco	72.6	0.3	0.2	2.8	0.8	0.2	0.1	0.2	0.6	0.1	0.3
Clothing & footwear	60.3	0.3	0.5	0.3	0.3	0.4	0.3	0.3	0.9	0.6	0.4
Housing, water, electricity, gas & other fuels	136.7	0.7	0.2	1.0	0.4	0.3	0.6	5.0	0.6	0.7	1.3
Furnish, household equipment & routine maintenance of house	74.9	0.2	0.5	0.7	-0.1	0.5	0.8	0.2	0.3	0.4	0.4
Health - Excluded From Stage 1											
Transport	155.0	0.9	1.2	1.7	1.5	1.0	1.1	0.0	0.7	0.4	1.2
Communication	31.6	-0.3	-0.1	0.1	-0.1	0.0	0.1	0.2	-0.4	-0.1	-0.4
Recreation and culture	41.7	-0.4	0.2	0.8	0.4	0.3	-0.2	-0.1	-0.1	0.4	-0.6
Education - excluded from Stage 1											
Restaurants and hotels	50.0	0.6	0.5	1.2	0.4	0.4	0.5	0.2	0.4	0.5	0.5
Miscellaneous goods & services	57.8	1.0	0.0	0.4	0.5	0.6	0.2	0.4	0.1	0.6	0.8

Table 3: SADC Region and SADC Member States division profiles – September 2011

Monthly indices for COICOP Divisions - September 2011

Country	Country weights	Food & non-alcoholic beverages	Alcoholic beverages & tobacco	Clothing & footwear	Housing, water, electricity, gas & other fuels	Furn., household equipment & maintenance of house	Transport	Communication	Recreation & culture	Restaurants & hotels	Misc. goods & services	All items
Angola												
Botswana	1.35	106.69	105.38	106.53	107.63	107.49	112.62	95.62	106.79	107.28	101.92	107.57
DR Congo	2.41	114.21	108.72	116.59	112.49	105.75	119.66	100.62	107.52	118.40	116.06	114.05
Lesotho	0.86	110.10	109.86	102.59	130.22	104.79	102.91	101.14	103.00	106.28	105.34	109.25
Madagascar	3.42	105.70	100.65	101.69	104.87	102.95	103.31	100.27	100.89	100.50	102.87	104.18
Malawi	1.74	103.10	106.57	105.67	105.79	106.92	108.42	119.75	118.95	102.95	107.36	105.36
Mauritius	2.39	105.32	100.96	102.48	100.39	102.21	103.27	94.83	103.00	84.53	102.17	97.60
Mozambique	3.08	103.08	102.36	101.95	105.85	102.68	105.23	99.84	103.52	107.34	108.10	103.70
Namibia	1.38	106.52	104.52	104.19	107.06	103.01	107.78	100.84	102.64	104.41	102.94	104.95
Seychelles	-	104.70	100.32	102.04	102.10	101.97	103.86	99.97	101.05	104.94	102.68	102.60
South Africa	70.82	107.69	105.82	103.13	109.02	102.17	108.66	98.85	99.55	104.21	102.44	106.01
Swaziland	0.95	105.38	103.93	103.38	110.18	104.82	116.37	100.09	102.66	101.85	107.79	106.88
Tanzania	7.83	117.56	104.83	109.00	122.14	115.23	114.01	99.78	106.32	112.93	111.63	115.34
Zambia	2.54	102.70	101.94	110.29	108.25	105.12	105.67	104.08	104.16	106.33	101.69	104.08
Zimbabwe	1.23	103.76	104.05	102.28	106.28	103.55	106.91	97.96	101.82	106.20	105.02	98.50
SADC	100.00	108.06	105.30	104.09	109.72	103.63	108.89	99.45	101.20	104.81	103.84	106.48

Table 4: SADC Region and SADC Member States division profiles – October 2011

Monthly indices for COICOP Divisions - October 2011

Country	Country weights	Food & non-alcoholic beverages	Alcoholic beverages & tobacco	Clothing & footwear	Housing, water, electricity, gas & other fuels	Furn., household equipment & routine maintenance of house	Transport	Communication	Recreation & culture	Restaurants & hotels	Misc. goods & services	All items
Angola												
Botswana	1.35	107.34	105.56	107.82	107.79	109.03	113.13	95.62	107.19	107.74	102.69	108.17
DR Congo	2.41	118.60	109.21	113.74	169.15	111.44	121.41	96.61	106.81	109.42	111.85	119.22
Lesotho	0.86	111.27	110.16	102.77	132.72	104.82	103.12	101.14	103.05	106.65	104.04	110.11
Madagascar	3.42	106.11	102.78	102.92	105.23	103.40	103.96	101.93	101.21	105.24	103.33	105.19
Malawi	1.74	103.35	110.91	104.72	106.09	112.48	113.35	120.44	121.89	103.92	110.13	106.77
Mauritius	2.39	105.40	101.04	102.95	100.42	102.26	103.37	94.80	103.18	85.35	102.11	97.90
Mozambique	3.08	103.15	103.25	102.78	106.04	103.31	104.67	99.94	103.33	107.96	108.14	103.83
Namibia	1.38	109.40	105.46	105.13	108.63	102.92	109.55	100.70	102.27	104.63	104.59	106.64
Seychelles	-	105.13	100.35	102.04	102.12	102.26	103.86	99.97	101.08	104.94	103.26	102.78
South Africa	70.82	109.78	105.90	103.54	109.08	102.29	110.14	98.48	98.66	104.94	103.59	106.91
Swaziland	0.95	106.75	103.89	104.17	111.17	104.61	117.44	100.09	103.01	102.05	108.23	107.85
Tanzania	7.83	119.20	104.94	110.19	122.24	115.81	115.51	99.78	106.32	113.66	111.94	116.47
Zambia	2.54	103.28	104.83	111.79	106.46	106.08	105.35	100.21	102.50	104.30	103.00	104.49
Zimbabwe	1.23	103.85	104.16	102.45	106.42	103.65	107.00	97.83	101.87	105.95	105.17	98.38
SADC	100.00	109.89	105.64	104.54	111.18	104.07	110.23	99.06	100.58	105.36	104.70	107.47

Measures of inflation¹

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.

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 2005 purchasing power parities derived from the results of the 2005 International Comparison Program as supplied by the African Development Bank and the World Bank.

The HCPIs may differ from the national CPIs which are sometimes designed for different purposes. The HCPIs are designed as a macroeconomic measure of monetary inflation whereas some national CPIs may have other purposes such as cost of living which may require different methodologies. 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. The production team comprised **Mr. Ackim Jere** (Head SADC Statistics Programme) and **Ms. Mantoa Molengoane**. The news release was produced under the general direction of **Dr. Angelo Mondlane**, Director - Directorate Policy Planning Resource Mobilisation.

¹¹¹ Some definitions will be used at a later stage

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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Future release dates

Scheduled dates for the coming months are:

Interim HCPI for	Date of submission to SADC Secretariat	Publication date by SADC Secretariat
November 2011	20 th December 2011	10 th January 2012
December 2011	20 th January 2012	07 th February 2012
January 2012	20 th February 2012	05 th March 2012