



Stage I SADC Harmonised Consumer Price Indices (HCPI) December 2011

News Release
Issue No. 5

As measured by the HCPI, the annual inflation rate for the SADC region was 8.7% in December 2011 compared to December 2010. The monthly inflation was 0.7% in December 2011, representing 0.2 percentage point increase over the rate observed in November 2011.

This news release is the fifth in series and presents the Stage I HCPI figures for the SADC region for December 2011, which marks a year since the compilation of the SADC HCPI started.

As stated in earlier releases, compilation of the Stage I SADC HCPIs is based on the national HCPIs of fourteen Member States¹. 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 and best practice relating to development of Consumer Price Indices (CPI). The excluded items will be covered at a later stage.

The reported annual inflation rates for December 2011 for Member States ranged from a highest of 20.6% for Tanzania and a lowest for Zimbabwe which registered a decrease of 1.5%. Annual rates for the rest of the Member States were reported as follows:

Botswana (9.3%), DRC (19.6%), Lesotho (11.7%), Madagascar (8.5%), Malawi (11.3%), Mauritius (3.2%), Mozambique (5.9%), Namibia (7.5%), Seychelles (4.4%), South Africa (7.6%), Swaziland (9.6%) and Zambia (3.9%) as reflected in table 1 below.

In terms of COICOP major divisions, all divisions registered increases in their indices except for Communications which recorded a decline of 1.2%, in December 2011 compared to December 2010. Other COICOP divisions registered increases in their annual price indices as follows: Food and Non Alcoholic Beverages (11.8%), Transport (11.6%), Housing, Electricity, Water, Gas and Other Fuels (10.5%), Alcoholic Beverages and Tobacco (6.4%), Restaurants and Hotels (6.3%), Clothing and Footwear (5.6%), Miscellaneous Goods and Services (4.7%), Furnishings, Household Equipment and Routine Maintenance of House (4.1%) and Recreation and Culture (1.1%). See table 2 below.

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

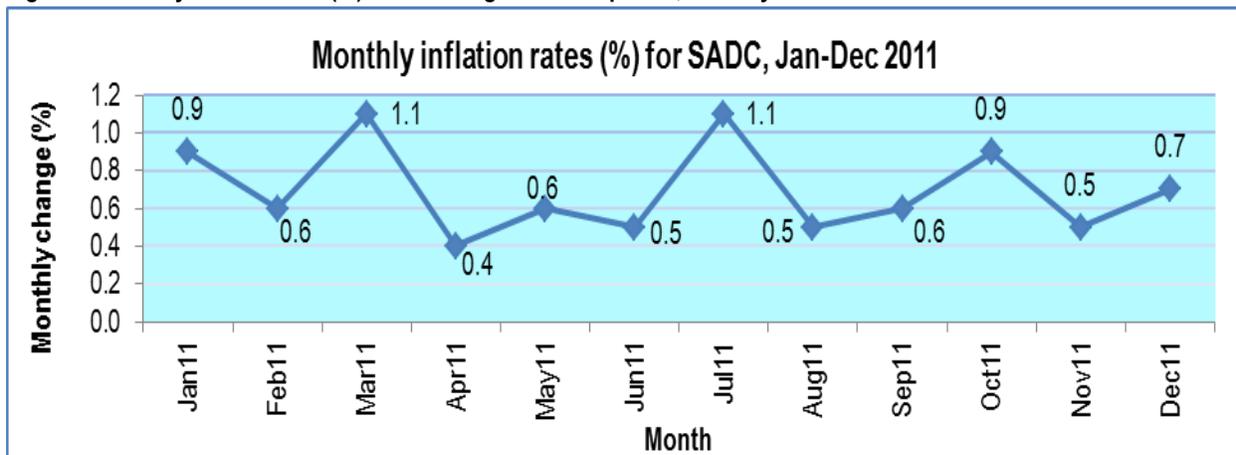


Figure 2: Annual inflation rate (%) for SADC region and SADC Member States as at December 2011

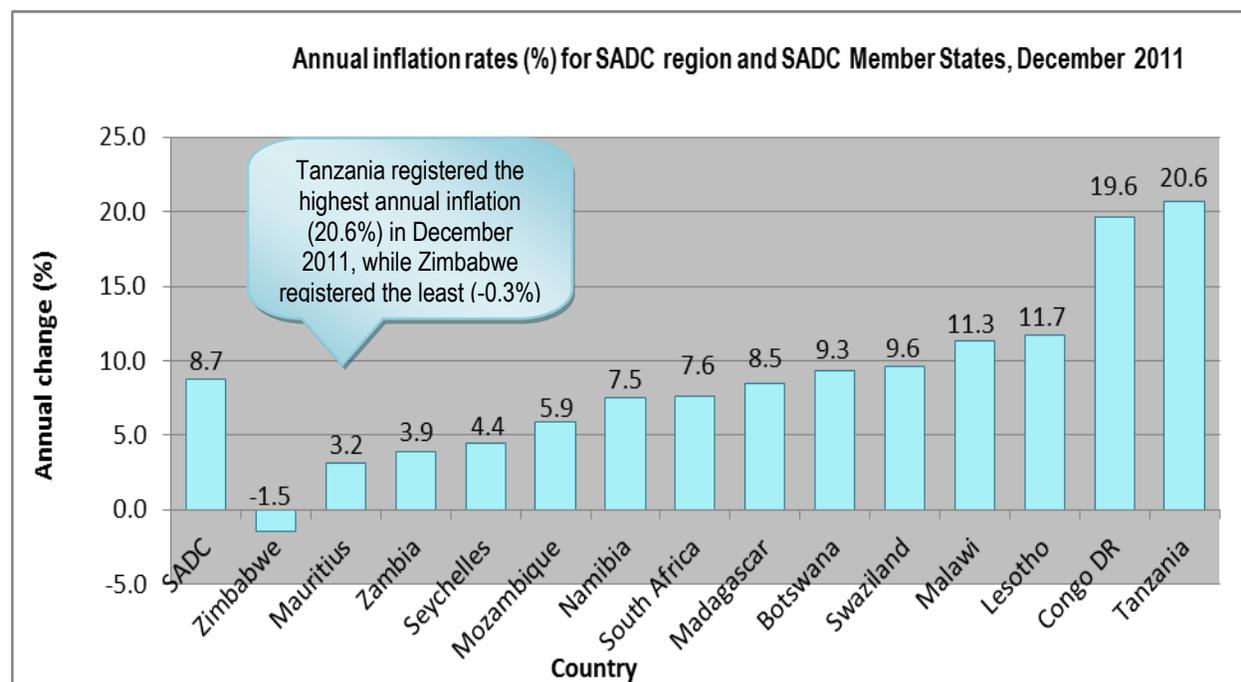


Table 1: Inflation rates (%) for SADC Member States as measured by National HCPIs

Member State	Country weights	Dec10	Jan11	Feb11	Mar11	Apr11	May11	Jun11	Jul11	Aug11	Sep11	Oct11	Nov11	Dec10
		Jan11	Feb11	Mar11	Apr11	May11	Jun11	Jul11	Aug11	Sep11	Oct11	Nov11	Dec11	Dec11
Angola														
Botswana	1.35	0.5	1.0	0.7	1.2	1.1	1.0	0.2	1.1	0.4	0.6	0.7	0.4	9.3
Congo DR	2.41	1.1	-0.1	0.8	1.3	1.1	3.1	1.5	3.2	1.3	4.5	-0.3	0.6	19.6
Lesotho	0.86	0.8	2.7	0.4	1.0	0.5	0.9	0.2	1.8	0.5	0.8	0.8	0.7	11.7
Madagascar	3.42	2.6	2.4	0.0	-0.7	-0.7	0.0	0.0	0.3	0.3	1.0	1.1	2.1	8.5
Malawi	1.74	1.3	2.0	-0.4	-1.9	0.5	0.4	1.9	0.6	0.9	1.3	1.1	3.1	11.3
Mauritius	2.39	-1.6	1.6	0.5	0.4	-2.2	-1.0	0.1	0.1	-0.5	0.3	1.4	3.6	3.2
Mozambique	3.08	1.6	1.1	-0.1	0.2	0.5	-0.3	0.3	0.5	-0.1	0.1	0.5	1.4	5.9
Namibia	1.38	0.8	0.5	0.8	1.1	0.4	0.4	0.3	0.5	0.0	1.6	0.3	0.6	7.5
Seychelles*	-	0.1	0.2	0.1	0.2	0.3	0.2	0.5	0.6	0.4	0.2	1.1	0.5	4.4
South Africa	70.82	0.7	0.3	1.3	0.5	0.8	0.5	1.1	0.3	0.5	0.9	0.4	0.3	7.6
Swaziland	0.95	2.1	0.2	1.2	1.1	0.7	0.2	0.2	0.9	0.1	0.9	0.6	1.0	9.6
Tanzania	7.83	2.0	2.0	1.5	1.2	0.7	1.0	1.9	1.6	2.5	1.0	1.5	2.0	20.6
Zambia	2.54	2.0	0.5	1.2	-1.6	-0.2	0.4	1.9	-0.7	0.5	0.4	-0.3	-0.3	3.9
Zimbabwe	1.23	1.2	-0.8	-0.1	-0.5	-0.6	-0.2	0.1	-0.3	-0.2	-0.1	0.3	-0.2	-1.5
SADC	100.00	0.9	0.6	1.1	0.4	0.6	0.5	1.1	0.5	0.6	0.9	0.5	0.7	8.7

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

Figure 3: Divisions annual inflation rates as at December 2011

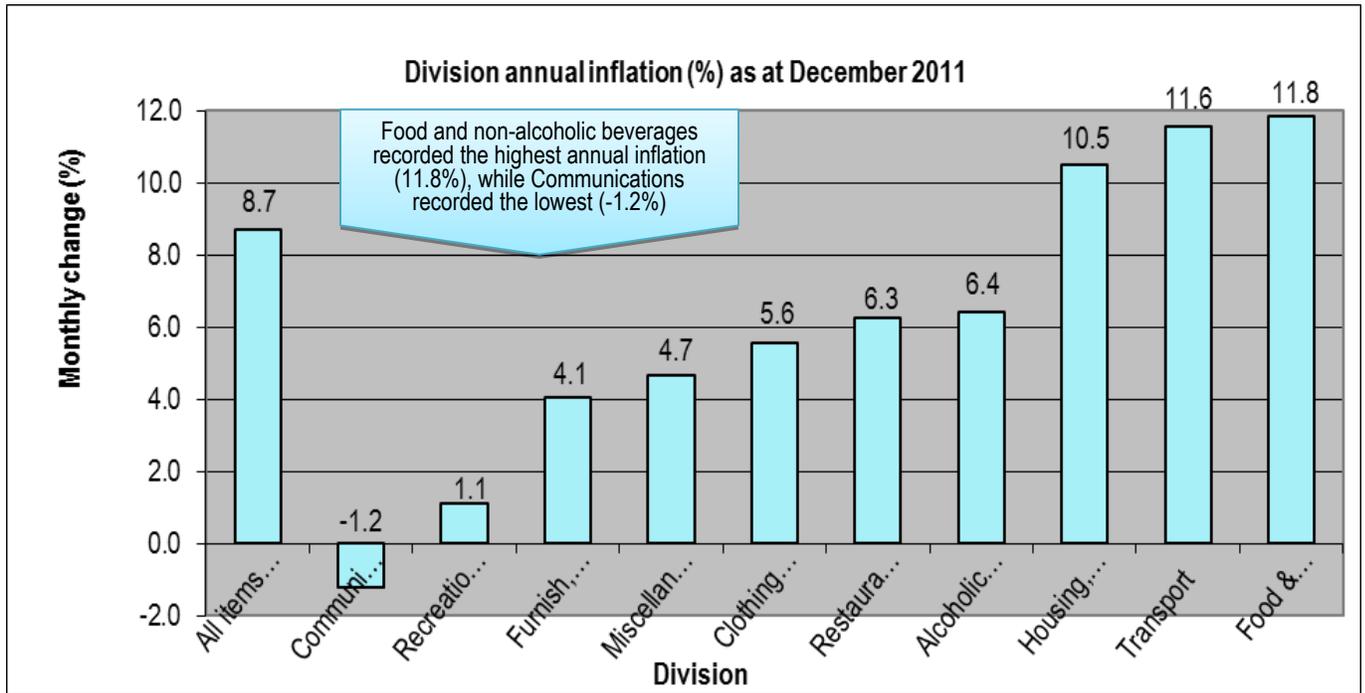


Table 2: Inflation rates (%) for the COICOP divisions from January to December 2011

Divisions	Weights	Dec10	Jan11	Feb11	Mar11	Apr11	May11	Jun11	Jul11	Aug11	Sep11	Oct11	Nov11	Dec10
		Jan11	Feb11	Mar11	Apr11	May11	Jun11	Jul11	Aug11	Sep11	Oct11	Nov11	Dec11	Dec11
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	0.5	0.7	8.7
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	0.8	1.0	11.8
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	0.7	0.0	6.4
Clothing & footwear	60.3	0.3	0.5	0.3	0.3	0.4	0.3	0.3	0.9	0.6	0.4	0.5	0.5	5.6
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	-0.9	0.3	10.5
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	-0.2	0.2	4.1
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	0.7	0.5	11.6
Communication	31.6	-0.3	-0.1	0.1	-0.1	0.0	0.1	0.2	-0.4	-0.1	-0.4	-0.3	0.0	-1.2
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	0.8	-0.3	1.1
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	0.1	0.7	6.3
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	0.0	-0.1	4.7

Table 3: SADC Region and SADC Member States division profiles – November 2011 (December 2010=100)

Monthly indices for COICOP Divisions - November 2011												
Country	Country Weights	Food & Non-Alcoholic Beverages	Alcoholic Beverages. & Tobacco	Clothing & Footwear	Housing, Water, Electricity, Gas	Furniture, Household Equipment & Maintenance	Transport	Communication	Recreation & Culture	Restaurants & Hotels	Misc. Goods & Services	All items
Angola												
Botswana	1.35	107.95	105.57	107.85	107.81	109.29	115.64	95.62	107.15	107.91	102.76	108.90
DR Congo	2.41	119.71	109.19	120.69	117.93	112.22	126.70	95.86	107.41	108.66	117.55	118.84
Lesotho	0.86	112.34	110.97	102.62	135.49	105.00	103.35	101.14	103.21	106.68	104.14	110.94
Madagascar	3.42	107.68	104.06	103.87	105.45	103.92	103.99	101.93	101.45	105.10	103.80	106.32
Malawi	1.74	105.01	113.99	104.77	110.02	114.44	110.87	110.61	121.89	103.92	103.25	107.95
Mauritius	2.39	105.19	115.00	103.09	100.43	102.83	103.31	94.80	102.98	85.77	102.13	99.29
Mozambique	3.08	104.01	104.33	103.13	106.24	103.67	104.47	100.70	104.58	108.51	108.61	104.39
Namibia	1.38	109.64	106.47	105.33	109.35	102.96	109.72	100.70	101.32	104.69	105.20	106.91
Seychelles	-	106.14	100.39	102.04	106.22	102.22	104.63	100.30	101.08	109.03	103.53	103.88
South Africa	70.82	110.41	106.25	103.85	109.19	101.84	111.03	98.31	99.60	105.09	103.41	107.29
Swaziland	0.95	107.43	105.16	105.13	112.51	104.40	118.86	100.09	102.08	102.50	108.25	108.51
Tanzania	7.83	122.25	105.01	111.12	122.40	116.34	116.38	99.75	106.68	114.29	112.90	118.24
Zambia	2.54	102.64	105.50	112.91	107.35	105.31	104.57	100.21	105.31	102.22	103.20	104.21
Zimbabwe	1.23	105.44	104.14	102.84	107.00	103.56	106.84	97.72	101.86	107.24	105.41	98.69
SADC	100.00	110.74	106.42	105.09	110.19	103.87	111.03	98.77	101.38	105.49	104.72	108.00

Table 4: SADC Region and SADC Member States division profiles – December 2011(December 2010=100)

Monthly indices for COICOP Divisions - December 2011												
Country	Country Weights	Food & Non-Alcoholic Beverages.	Alcoholic Beverages. & Tobacco	Clothing & Footwear	Housing, Water, Electricity, Gas & Other Fuels	Furniture, Household Equipment &	Transport	Communication	Recreation & Culture	Restaurants & Hotels	Misc. Goods & Services	All items
Angola												
Botswana	1.35	108.37	105.50	109.33	108.31	110.51	115.66	95.63	108.64	108.33	102.68	109.35
DR Congo	2.41	121.33	109.18	120.64	115.61	108.37	126.67	95.44	107.05	109.75	113.56	119.60
Lesotho	0.86	113.65	111.39	102.59	124.26	105.23	109.47	101.14	103.23	106.83	116.00	111.68
Madagascar	3.42	110.78	105.53	105.36	106.13	104.35	104.67	101.93	101.79	105.75	104.10	108.51
Malawi	1.74	109.74	112.64	106.48	116.64	113.69	113.05	115.27	120.91	103.72	105.07	111.31
Mauritius	2.39	106.90	114.16	103.51	100.43	102.01	103.42	94.51	103.95	98.18	100.48	103.16
Mozambique	3.08	107.06	103.89	103.51	106.43	103.56	104.82	99.83	104.40	109.09	108.87	105.86
Namibia	1.38	110.57	107.15	105.28	109.30	103.69	110.67	100.69	101.53	105.01	105.22	107.54
Seychelles	-	106.66	100.40	104.10	106.36	102.70	105.99	100.29	102.15	109.03	106.48	104.43
South Africa	70.82	110.93	106.18	104.14	109.63	102.14	111.49	98.27	99.25	105.47	103.18	107.59
Swaziland	0.95	109.50	105.16	105.13	111.36	104.77	120.01	100.09	103.41	103.31	107.97	109.57
Tanzania	7.83	126.48	105.85	112.63	122.68	117.34	116.61	99.72	106.42	115.43	113.67	120.64
Zambia	2.54	101.94	103.76	114.18	107.78	104.33	106.22	99.95	102.95	103.07	104.46	103.88
Zimbabwe	1.23	105.79	107.41	102.65	107.46	103.89	106.81	97.70	101.66	108.46	105.21	98.54
SADC	100.00	111.84	106.43	105.57	110.52	104.06	111.57	98.77	101.09	106.27	104.66	108.71

Table 5: Time series data - December 2010 to date (December 2010=100)

Year	Month	SADC HCPI	Month on month inflation rate	Year on year inflation rate
2 010	December	100.00		
2 011	January	100.90	0.9	
	February	101.51	0.6	
	March	102.62	1.1	
	April	103.06	0.4	
	May	103.67	0.6	
	June	104.21	0.5	
	July	105.31	1.1	
	August	105.81	0.5	
	September	106.49	0.6	
	October	107.47	0.9	
	November	108.01	0.5	
	December	108.71	0.7	8.7
		Annual average HCPI - 2011	104.81	

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.

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.

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:

Stage 1 SADC HCPI for	Date of submission to SADC Secretariat	Publication date by SADC Secretariat
January 2012	20 th February 2012	05 th March 2012
February 2012	20 th March 2012	05 th April 2012
March 2012	20 th April 2012	07 th May 2012