

STATISTICS BOTSWANA

Annual CPI Stats Brief 2017

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PREFACE

This **Annual Stats Brief** presents a brief summary of Botswana Consumer Price Indices (CPI) and Inflation rates for 2017. Price Statistics information is useful for formulation of socio-economic and monetary policies, quantifying the purchasing power of the Pula in relation to goods and services over time in Botswana. It further compares Botswana's Consumer Price Statistics with that of her trading partners, such as the Southern African Customs Union (SACU).

In order to produce statistics that reflect the current situation in the economy, Statistics Botswana has rebased the Consumer Price Index from September 2006 to September 2016. CPI rebasing is a process of relating item prices in the CPI basket to the current consumption pattern i.e. to derive CPI weights which represent the new consumption patterns. The best international practice is to rebase CPI after every five years.

The annual average inflation rate of 3.3 percent recorded in 2017 was within the inflation target range of 3–6 percent set out by the Bank of Botswana. On average, the All Items Index which is conventionally referred to as Cost of Living Index or Consumer Price Index (CPI) was 102.6 in 2017, an increase of 3.3 percent on the 2016 average index of 99.4.

It is envisioned that our stakeholders would provide regular feedback to assist us to improve on the quality of, not only this **Annual Stats Brief**, but all our publications



A. Majeiantle
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April 2018

1.0 Introduction

The Consumer Price Index (CPI) is an index which measures price movements in goods and services with reference to a base period. The current Botswana CPI series has a base period of September 2016.

The CPI is used to compute the rate of inflation as experienced by Botswana consumers. The inflation rate measures the change in the CPI for the month under review in comparison with the previous month (month-on-month change) in addition, it measures change in the CPI in the same month between two consecutive years (year-on-year change). The inflation rate is important for economic policy-making, specifically the monetary policy. It is also used for adjusting contracts and wages among others.

Consumer Price Index (CPI) is computed using the Modified Laspeyres method which is in line with regional and international recommendations. **Table 1** shows the 12 groups that are comprised in the Botswana CPI basket and their corresponding indices for 2016 and 2017.

2.0 Consumer Price Index-2017

On average, the All Items Index was 102.6 in 2017 compared to the 2016 average index of 99.4. This implies that the cost of a fixed basket of goods which was worth 99.4 units in 2016 had a cost of 102.6 units in 2017. (Refer to table 1).

The average inflation rate was 3.3 percent in 2017 as opposed to 2.8 percent realized in 2016. This implies that consumers paid on average 3.3 percent more for the goods and services in the Consumer Price Index (CPI) basket in 2017 compared to 2016 (2.8 percent). The rise in the average annual inflation rate of 3.3 per cent between 2016 and 2017 was mainly reflected in Transport (from -2.7 to 1.6 percent) and Food & Non-alcoholic Beverages (from 2.7 to 3.4 percent) which account for 20.65 and 16.51 percent respectively of the overall CPI basket.

2.1 Transport

The Transport Group Index registered an increase of 1.6 percent, from an average of 99.8 in 2016 to 101.4 in 2017. The rise in this group index was largely driven by increases in the pump prices that were effected on the 4th March, 1st November, and 10th December 2017 for both diesel and petrol, following a rise in global oil prices which had floated between 50 and 60 dollars a barrel in 2017.

2.2 Food & Non-Alcoholic Beverages

The Food group Index registered an increase of 3.4 percent, from an average of 99.4 in 2016 to 102.8 in 2017. Given the fact that the weight of Food & Non-Alcoholic Beverages is 16.51 in the CPI basket and the frequency at which a consumer purchases food items, high food prices can have a large impact on consumer welfare particularly, those individuals in the bottom income level, for whom food, has a larger share of total expenditures.

2.3 Alcoholic Beverages and Tobacco

The Alcoholic Beverages and Tobacco Group Index stood at 104.3 on average in 2017, an increase of 4.5 percent from the 2016 average of 99.8. Contributing to the increase was generally the rise in the section indices.

2.4 Housing, Water, Electricity, Gas & Other Fuels

The Housing, Water, Electricity, Gas & Other Fuels group index stood at 104.2 on average in 2017, an increase of 5.4 percent from the 2016 average of 98.8. The increase in this group index was mainly due

to an increase in the constituent section indices of Water Supply & Miscellaneous Services and Electricity Gas & Other Fuels, which rose by 25.4 and 6.2 percent respectively. The increase in Water Supply & Miscellaneous Services section index was attributed to the revised water tariffs, which were effected on 1st April 2017. The rise in the Electricity, Gas & Other Fuels section index was largely due to the hike in the electricity tariffs by 7.5 percent for domestic consumers who consumed less than 200 kWh and 10 percent for those who consumed more than 200 kWh, which were also effected on the 1st April 2017.

2.5 Miscellaneous Goods & Services

The Miscellaneous Goods & Services group index went up on average from 98.4 to 102.2, registering an increase of 3.9 percent between 2016 and 2017. The rise was attributed to the general increase in the section indices.

2.6 Other Group Indices

The Education group index increased by 4.1 percent while the Health group index recorded an increase of 2.4 percent. Restaurants & Hotels group Index stood at 3.7 percent whereas Clothing and Footwear group Index recorded 3.2 percent in 2017. Furnishing, Household Equipment & Routine Maintenance group index recorded 3.3 percent. The Recreation & Culture increased by 2.2 percent while Communications group index rose by 0.5 percent.

Figure 1: Inflation Rates for CPI Major Components (Groups) for 2016 and 2017

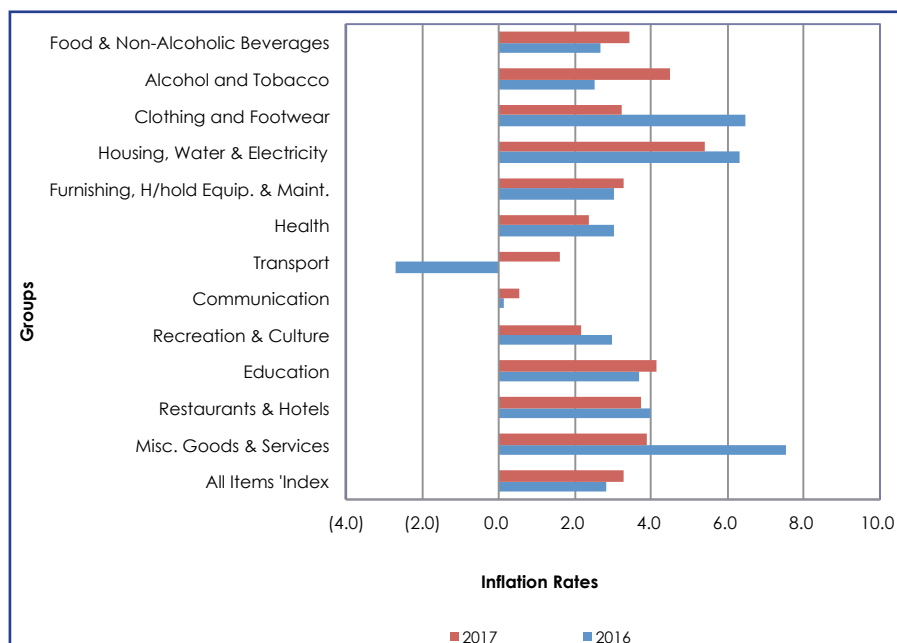


Figure 1 above gives a comparison of average inflation rates for the group indices. Out of the twelve (12) major components in the Consumer Price Index (CPI) basket, consumer price increases in 2017 were mainly driven by the rise for two of life's basic necessities, which are transport and food.

2.7 Cost of Living Index by Tradability

Table 2 shows All Items Index by Tradability. There are two types of tradability indices calculated on monthly basis namely; All Tradable and Non-Tradable Index. All Tradable Index is further categorized into two groups - Domestic Tradable Index and Imported Tradable Index. These indices and their corresponding weights are also shown in **Table 2**.

The table illustrates that it was expensive to buy Goods classified as Non-tradable as reflected by its average annual inflation rate of 3.7 percent compared to those classified as Domestic Tradable and Imported tradable with the rates of 3.4 and 2.9 percent respectively.

Domestic Tradable Index stood at 102.9 on average, whereas Imported Tradable and Non-Tradable Indices registered an average of 102.5 each. The Domestic Tradable inflation rate was high throughout 2017 registering an average of 3.4 percent while the Imported Tradable inflation rate recorded an average of 2.9 percent during the period under review.

2.8 Cost of living Index and Inflation Rates by Strata

CPI is also compiled by strata, meaning, CPI is recorded according to Cities/towns, Urban villages and Rural villages. **Table 3** shows that in 2017 products were generally costly in rural villages compared to urban villages and cities/towns. In rural villages consumers needed 103.9 units in December 2017 to buy the same basket which would cost 103.3 units in urban villages. This implies that it was expensive to buy goods in rural villages compared to urban villages as reflected by average inflation rate in 2017.

3.0 Core Inflation

The Core Inflation is a measure of inflation that seeks to capture the underlying inflation trend due to underlying demand and supply conditions. Statistics Botswana has adopted two approaches to measure core inflation namely; the 16 percent trimmed mean core inflation and core inflation by exclusion. The trimmed mean method attempts to remove 8 percent (by weight) of the commodity sub-groups with the largest price changes at each of the end of an ordered series of price changes in any given month. The measure of core inflation by exclusion attempts to remove the volatility inherent in prices that are only adjusted periodically and not always in response to currently prevailing market forces.

Figure 2: Headline and Core Inflation Rates for 2017

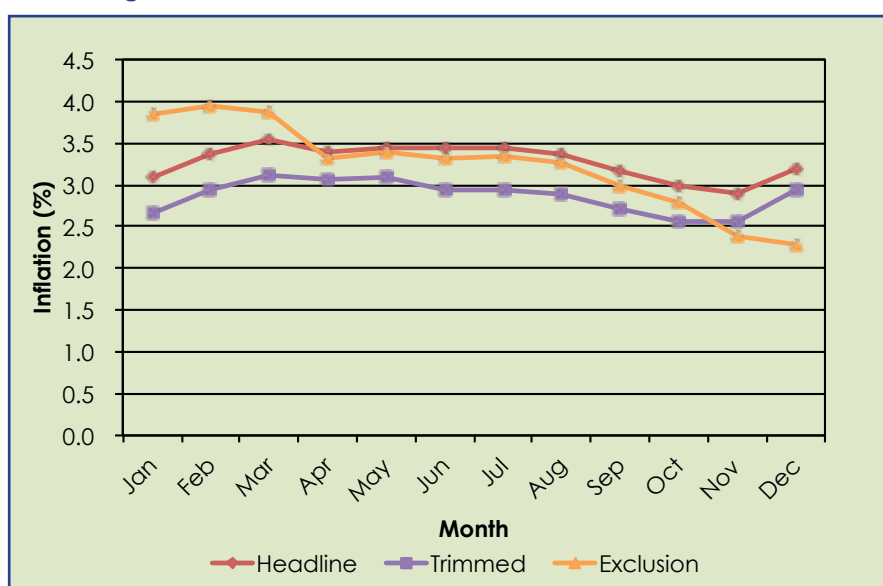


Figure 2 above gives a comparison of headline and core inflation rates. The graph depicts that for the first quarter of 2017 headline inflation was lower than the Core inflation by Exclusion. Although the remaining three quarters of 2017, the headline inflation was higher than the Core inflation by Exclusion. Both headline inflation and trimmed mean inflation were displaying a similar fluctuation pattern even though the latter was slightly lower.

4.0 Comparison of Botswana and Southern African Customs Union (SACU) Headline Inflation

Comparatively, Botswana's annual average inflation rate of 3.3 percent in 2017 was the lowest among the Southern African Customs Union (SACU) member states. The highest annual average inflation rate was recorded in Swaziland and Namibia, which recorded a rate of 6.2 percent each whereas South Africa and Lesotho recorded average annual rates of 5.2 and 5.3 percent respectively (See table 4).

5.0 Purchasing Power of the Pula

Since the Consumer Price Index measures the change over time in the cost of a fixed basket of commodities and services, it essentially means that if the prices of the basket commodities continue to go up, the initial amount of Pula currency that were used to purchase the basket of commodities progressively buys less of the commodity items. **Table 5** shows the trend of the purchasing power of the pula from 2003 to 2017. Figures above the diagonal show the depreciation of the pula over time, on the other hand, figures below the diagonal convey the same idea as those above but rather in reverse order. These figures show how much a fixed quantity of goods (Pula' worth of goods at a reference point in time) would cost as time progresses. For example, P1.00 in 2003 would be equivalent to P0.39 in 2017 and goods that would have been bought at P1.00 in 2003 would cost P2.55 in 2017. Refer to **table 5**.

Table 1: Annual percentage change of Consumer Price Indices between 2016 and 2017, by major component, for Botswana

Group	Weight	2016	2017	Annual Average change 2016	Annual Average change 2017
				Percent	Percent
Food & Non-Alcoholic Beverages	16.51	99.4	102.8	2.7	3.4
Alcoholic Beverages, Tobacco & Narcotics	7.83	99.8	104.3	2.5	4.5
Clothing & Footwear	6.27	99.1	102.3	6.5	3.2
Housing	14.90	98.8	104.2	6.3	5.4
Furnishing, Household Equipment & Routine Maintenance	6.39	99.4	102.6	3.0	3.3
Health	3.62	99.3	101.6	3.0	2.4
Transport	20.65	99.8	101.4	-2.7	1.6
Communications	4.27	100.0	100.5	0.2	0.5
Recreation & Culture	2.92	99.7	101.9	2.9	2.2
Education	3.34	100.0	104.1	3.7	4.1
Restaurants & Hotels	2.76	99.3	103.0	4.0	3.7
Miscellaneous Goods & Services	10.55	98.4	102.2	7.5	3.9
All Item Index	100.0	99.4	102.6	2.8	3.3

TABLE 2 : COST-OF-LIVING INDEX - BY TRADABILITY (September 2016 = 100.0)

		All Item Index	Inflation	Non-Tradable Index	Inflation	Domestic Tradable Index	Inflation	Imported Tradable Index	Inflation	All Tradable Index	Inflation
Weights		100.00	%	35.83	%	20.39	%	43.77	%	64.17	%
2017	Jan	101.0	3.1	100.4	4.3	102.2	4.3	100.8	1.7	101.2	2.6
	Feb	101.2	3.4	100.5	4.3	102.7	4.3	101.1	2.4	101.6	3.1
	Mar	101.7	3.5	100.8	3.9	103.1	4.6	101.8	2.9	102.2	3.5
	Apr	102.5	3.4	102.4	3.8	103.4	4.3	102.1	2.7	102.5	3.3
	May	102.7	3.5	102.6	3.7	103.7	4.3	102.3	2.9	102.7	3.4
	Jun	102.9	3.5	103.0	3.6	103.5	4.2	102.5	2.9	102.8	3.4
	Jul	103.0	3.4	103.1	3.7	103.4	3.8	102.7	3.0	103.0	3.3
	Aug	103.1	3.4	103.1	3.7	103.2	3.4	103.0	3.1	103.1	3.2
	Sep	103.2	3.2	103.5	3.5	102.6	2.6	103.1	3.1	103.0	3.0
	Oct	103.2	3.0	103.5	3.4	102.5	2.2	103.2	3.0	103.0	2.8
	Nov	103.4	2.9	103.5	3.4	102.3	1.6	103.6	3.1	103.3	2.7
	Dec	103.7	3.2	103.9	3.7	102.3	1.3	104.3	3.7	103.7	3.0
Annual average		102.6	3.3	102.5	3.7	102.9	3.4	102.5	2.9	102.7	3.1

TABLE 3: COST -OF -LIVING INDEX AND INFLATION RATES BY STRATA

		Cities & Towns	Urban Village Index	Rural Village Index	Annual Inflation		
					Cities & Towns	Urban Village	Rural Village
Weights		0.42	0.34	0.24	%	%	%
2017	Jan	100.9	100.8	101.3	3.1	2.8	3.6
	Feb	101.1	101.1	101.6	3.5	2.9	3.8
	Mar	101.6	101.6	102.1	3.6	3.0	4.2
	Apr	102.3	102.4	102.8	3.3	3.0	4.2
	May	102.5	102.6	103.0	3.4	3.1	4.1
	Jun	102.8	102.9	103.0	3.4	3.3	3.9
	Jul	102.9	102.9	103.3	3.5	3.2	3.7
	Aug	103.0	103.0	103.4	3.4	3.2	3.6
	Sep	103.2	103.0	103.4	3.2	3.0	3.4
	Oct	103.2	102.9	103.5	3.0	2.7	3.3
	Nov	103.4	103.0	103.7	3.1	2.6	3.0
	Dec	104.0	103.3	103.9	3.6	2.9	3.1
Annual Average		102.6	102.5	102.9	3.3	3.0	3.7

Table 4: Comparison of Botswana and SACU Member States Headline Inflation

Month	Botswana	Lesotho	Swaziland	Nambia	South Africa
January	3.1	5.7	8.2	8.2	6.6
February	3.4	5.2	6.8	7.8	6.3
March	3.5	4.4	6.0	7.0	6.1
April	3.4	4.4	7.0	6.7	5.3
May	3.5	5.3	7.1	6.3	5.4
June	3.5	5.0	6.9	6.1	5.1
July	3.4	5.4	6.7	5.4	4.6
August	3.4	5.4	5.9	5.4	4.8
September	3.2	5.6	5.4	5.6	5.1
October	3.0	5.4	5.4	5.2	4.8
November	2.9	5.3	4.9	5.2	4.6
December	3.2	5.2	4.7	5.2	4.7
Average	3.3	5.2	6.2	6.2	5.3

Table 5: Purchasing Power of the Pula

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
2003	1.00	0.93	0.86	0.77	0.72	0.64	0.59	0.55	0.51	0.47	0.45	0.43	0.42	0.40	0.39
2004	1.07	1.00	0.92	0.83	0.77	0.68	0.63	0.59	0.55	0.51	0.48	0.46	0.45	0.43	0.42
2005	1.16	1.09	1.00	0.90	0.84	0.74	0.69	0.64	0.59	0.55	0.52	0.50	0.48	0.47	0.46
2006	1.30	1.21	1.12	1.00	0.93	0.83	0.77	0.72	0.66	0.61	0.58	0.56	0.54	0.52	0.51
2007	1.39	1.30	1.19	1.07	1.00	0.89	0.82	0.77	0.71	0.66	0.62	0.60	0.58	0.56	0.54
2008	1.56	1.46	1.35	1.21	1.13	1.00	0.93	0.86	0.80	0.74	0.70	0.67	0.65	0.63	0.61
2009	1.69	1.58	1.45	1.30	1.22	1.08	1.00	0.93	0.86	0.80	0.76	0.73	0.70	0.68	0.66
2010	1.81	1.69	1.56	1.39	1.30	1.16	1.07	1.00	0.92	0.86	0.81	0.78	0.75	0.73	0.71
2011	1.96	1.83	1.69	1.51	1.41	1.25	1.16	1.08	1.00	0.93	0.88	0.84	0.82	0.79	0.77
2012	2.11	1.97	1.81	1.63	1.52	1.35	1.25	1.17	1.08	1.00	0.94	0.90	0.88	0.85	0.83
2013	2.23	2.09	1.92	1.72	1.61	1.43	1.32	1.23	1.14	1.06	1.00	0.96	0.93	0.90	0.88
2014	2.33	2.18	2.01	1.80	1.68	1.49	1.38	1.29	1.19	1.11	1.04	1.00	0.97	0.94	0.91
2015	2.40	2.25	2.07	1.85	1.73	1.54	1.42	1.33	1.23	1.14	1.08	1.03	1.00	0.97	0.94
2016	2.47	2.31	2.12	1.91	1.78	1.58	1.46	1.37	1.26	1.17	1.11	1.06	1.03	1.00	0.97
2017	2.55	2.38	2.19	1.97	1.84	1.63	1.51	1.41	1.30	1.21	1.14	1.09	1.06	1.03	1.00

TABLE 6: 2017 National Cost-of-Living Group and Section Indices (September 2016=100.0)

Group Section	Weights	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Food & Non-Alcoholic Beverages	16.51	101.9	102.3	102.8	103.1	103.4	103.3	103.6	103.5	102.8	102.8	102.6	102.1
Bread & Cereals	5.27	101.2	101.6	102.0	102.1	102.4	102.0	102.1	101.9	99.9	99.1	98.5	97.5
Meat (Fresh, Chilled & Frozen)	2.66	102.6	103.6	104.4	104.9	104.6	104.7	104.8	104.9	103.6	103.7	104.0	104.1
Fish (Fresh, Chilled & Frozen)	0.17	100.9	101.5	101.8	102.1	103.1	104.2	104.4	104.5	104.6	104.9	104.9	104.2
Milk, Cheese & Milk Products	1.49	99.5	99.5	99.7	99.9	100.1	99.8	99.8	100.4	101.0	101.0	101.0	101.2
Oils & Fats	0.70	101.7	102.0	102.1	102.2	102.5	102.2	102.5	100.7	100.4	100.5	100.3	100.0
Fruit	0.86	106.1	106.4	107.0	107.3	106.8	105.8	106.1	105.4	104.9	106.6	106.5	106.8
Vegetables	1.80	104.6	103.5	103.5	103.6	102.8	103.0	103.8	103.8	103.8	105.1	105.1	105.2
Sugar, Jam, Honey, Chocolate & Confectionery	1.29	102.0	103.2	104.9	106.0	109.1	109.7	110.3	110.6	110.8	110.7	110.8	110.2
Food not else where Classified	0.99	100.4	100.8	101.2	101.3	101.7	101.8	101.8	101.2	102.5	102.3	102.4	100.6
Coffee, Tea & Cocoa	0.36	101.5	103.4	104.7	105.5	108.3	109.3	110.3	111.0	111.7	112.2	112.7	113.5
Mineral Waters, Soft Drinks, Fruits & Veg. Juices	0.92	100.5	100.6	100.8	101.0	101.5	101.5	101.9	102.6	102.8	102.6	102.3	101.3
Alcoholic Beverages, Tobacco & Narcotics	7.83	102.3	103.0	103.6	104.1	104.7	104.7	104.8	104.9	105.0	104.8	104.6	104.7
Alcoholic Beverages	6.19	102.6	103.4	104.0	104.4	104.9	104.9	104.9	105.0	105.0	104.7	104.5	104.5
Tobacco	1.65	101.2	101.4	101.9	103.1	103.8	104.0	104.2	104.5	104.9	105.1	105.0	105.6
Clothing and Footwear	6.27	101.2	101.4	101.7	101.9	102.1	102.2	102.6	102.8	103.0	103.1	103.1	103.2
Clothing	2.42	100.7	100.9	101.3	101.6	101.7	101.8	102.0	102.4	102.5	102.5	102.5	102.4
Other articles of Clothing	1.01	100.6	100.7	101.2	101.4	101.6	101.9	102.0	102.1	102.1	102.5	102.9	103.0
Cleaning, Repair & Hire	0.99	102.4	102.4	102.5	102.5	102.7	102.8	104.5	104.5	104.9	104.9	104.9	105.1
Footwear	1.85	101.4	101.8	102.0	102.2	102.5	102.5	102.8	102.8	103.0	103.1	103.3	103.1
Housing, Water, Electr. Gas & Other Fuels	14.90	100.4	100.6	101.0	104.8	104.9	105.0	105.1	105.2	105.8	105.7	105.7	106.1
Rent paid by Tenants	6.25	100.0	100.0	100.6	100.6	100.6	101.0	101.0	101.0	102.2	102.2	102.2	102.7
Materials for Maintenance & Repair of dwellings	4.29	101.5	101.7	102.0	102.3	102.5	102.6	103.0	103.2	103.5	103.1	103.1	103.5
Water Supply & Misc. Services	1.50	100.0	100.0	100.0	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4
Electricity Gas and other Fuels	2.86	100.1	100.4	100.6	106.8	106.8	106.9	106.9	106.9	107.0	107.1	107.2	107.3
Furnishing, H/H Equipment & Routine Maintenance	6.39	101.2	101.7	102.1	102.3	102.4	102.7	102.8	102.9	103.1	103.3	103.4	103.2
Furniture & Furnishing	1.65	101.3	101.7	102.1	102.2	101.9	102.1	102.3	102.5	102.7	102.8	103.3	103.5
Carpets & Other Floor Coverings	0.24	101.9	101.9	102.2	102.2	102.4	102.8	103.2	103.3	103.8	103.8	103.9	103.5
Household Textiles	0.41	101.4	101.6	101.7	101.8	102.0	102.1	102.1	102.4	102.6	102.6	102.7	102.9
Household Appliances	0.85	101.7	101.8	102.0	102.2	102.2	102.4	102.5	102.6	102.5	103.1	103.0	102.6
Glassware, Tableware & Household Utensils	0.40	100.7	100.7	100.8	101.0	101.0	101.3	101.1	101.1	101.2	101.4	100.9	100.8
Small Tools, Miscellaneous Accessories	0.06	100.9	101.0	100.9	101.3	101.3	101.4	101.7	101.7	102.1	102.2	102.5	102.2
Goods & Services for H/hold Maintenance	2.78	101.0	101.8	102.3	102.6	103.1	103.4	103.6	103.7	103.9	104.0	103.9	103.6

TABLE 6: 2017 National Cost-of-Living Group and Section Indices (September 2016=100.0) Continued

Group Section	Weights	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Health	3.62	100.8	100.9	101.1	101.2	101.2	101.8	102.0	102.0	102.0	102.1	102.2	102.2
Medical Products, App. & Equip.	0.81	102.9	103.1	103.9	104.4	104.4	104.7	105.0	105.2	105.2	105.3	105.5	105.4
Out-patient Services	0.70	100.9	101.1	101.1	101.1	101.1	101.2	101.5	101.7	101.7	101.9	102.0	102.2
Hospital Services	2.10	100.0	100.0	100.0	100.0	100.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0
Transport	20.65	99.7	99.8	100.9	101.0	101.1	101.4	101.4	101.6	101.7	101.7	102.7	104.3
Purchase of Vehicles	5.29	98.1	98.7	98.3	98.4	98.6	99.4	99.4	100.3	100.3	100.4	100.4	100.9
Operation of Personal Transport	11.13	100.3	100.3	102.4	102.6	102.6	102.6	102.6	102.6	102.7	102.8	104.5	107.4
Transport Services	4.22	100.0	100.0	100.0	100.0	100.5	100.5	100.5	100.5	100.5	100.5	100.5	100.5
Communication	4.27	100.1	100.1	100.1	100.1	100.2	100.3	100.3	100.3	101.3	101.3	101.3	101.2
Postal Services	0.15	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	126.5	126.5	126.5	126.5
Telephone & Telefax Equipment	0.71	100.4	100.4	100.5	100.5	100.9	101.6	101.6	102.0	102.4	102.4	102.5	101.7
Telephone & Telefax Services	3.41	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Recreation & Culture	2.92	100.7	101.1	101.3	102.0	102.0	102.1	102.2	102.3	102.2	102.3	102.2	102.4
Audio Visual, Photographic Info. Proce. Equip.	1.96	101.0	101.4	101.7	101.8	101.8	101.9	102.0	102.1	101.9	101.9	101.8	102.1
Other Recreational Items & Equip.	0.46	100.3	100.5	100.5	100.6	100.6	100.8	100.8	101.1	101.3	101.3	101.3	101.5
Recreational & Cultural Services	0.37	100.0	100.0	100.2	104.8	104.8	104.8	104.8	104.8	104.8	104.9	104.9	104.9
Newspapers, Books & Stationary	0.13	100.3	100.7	101.0	102.1	102.4	102.5	102.7	102.9	103.2	103.6	103.6	104.0
Education	3.34	104.0	104.1	104.1	104.1	104.1	104.1	104.2	104.2	104.2	104.2	104.2	104.2
Pre-Primary & Primary Education	0.80	105.0	105.0	105.1	105.1	105.1	105.3	105.3	105.4	105.4	105.4	105.4	105.4
Secondary & Tertiary Education	2.54	103.7	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8
Restaurants & Hotels	2.76	101.4	101.7	102.0	102.2	102.5	102.8	103.3	103.5	103.7	104.0	104.0	104.6
Restaurants, Cafes and the Like	2.31	101.6	101.9	102.3	102.5	102.7	103.0	103.5	103.8	104.0	104.3	104.3	105.0
Accommodation Services	0.45	100.6	100.6	100.8	100.9	101.8	102.0	102.3	102.3	102.3	102.4	102.4	102.6
Miscellaneous Goods & Services	10.55	100.7	101.0	101.4	101.5	101.6	102.6	102.6	102.7	102.8	102.8	102.9	103.4
Personal Care	1.71	101.1	101.7	102.5	103.1	103.2	103.9	103.8	103.8	104.2	104.2	104.2	103.3
Personal Effects N.E.C.	1.24	101.2	102.0	102.2	102.2	102.4	102.5	103.1	103.3	103.5	103.8	104.0	103.7
Social Protection	0.07	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.1	102.1	102.1	102.1	102.1
Insurance	4.73	100.7	100.7	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	102.5
Financial Services	0.79	100.7	101.1	101.4	101.8	102.5	102.7	103.0	103.1	103.1	103.2	103.2	103.5
Taxes Licences, Fees	2.01	100.0	100.5	100.7	100.7	100.9	105.1	105.1	105.1	105.1	105.2	105.3	105.3
All-Items Index	100.0	101.0	101.2	101.7	102.5	102.7	102.9	103.0	103.1	103.2	103.2	103.4	103.7

TABLE 7: Average Annual Inflation for 2008 - 2017 (September 2016=100)

	Group	Weights	YEAR									
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	Food & Non-Alcoholic Beverages	16.51	20.2	14.7	3.6	6.9	8.0	5.4	3.0	1.3	2.7	3.4
2	Alcoholic Beverages,Tobacco & Narcotics	7.83	13.2	35.2	7.1	8.4	7.6	10.3	9.0	6.1	2.5	4.5
3	Clothing and Footwear	6.27	2.0	8.4	8.0	8.9	7.5	6.3	6.0	7.6	6.5	3.2
4	Housing, Water, Electr. Gas & Other Fuels	14.90	8.1	4.8	6.4	8.4	7.7	4.3	3.9	7.1	6.3	5.4
5	Furnishing, H/H Equipment& Routine Maintenance	6.39	6.0	11.9	9.4	9.0	7.3	4.9	5.0	6.1	3.0	3.3
6	Health	3.62	11.3	5.5	2.7	4.5	5.9	5.5	8.3	6.3	3.0	2.4
7	Transport	20.65	21.2	(8.4)	12.1	13.2	10.8	7.3	1.2	(5.1)	(2.7)	1.6
8	Communication	4.27	(0.3)	(0.3)	1.2	(3.0)	(1.4)	0.3	0.3	0.3	0.2	0.5
9	Recreation & Culture	2.92	2.3	5.0	6.0	8.3	5.8	4.5	4.2	5.7	3.0	2.2
10	Education	3.34	3.9	3.9	5.8	10.6	6.4	4.7	7.4	6.4	3.7	4.1
11	Restaurants & Hotels	2.76	12.7	18.8	9.0	9.3	8.4	7.9	7.6	5.5	4.0	3.7
12	Miscellaneous Goods & Services	10.55	4.9	3.8	7.0	5.3	2.0	1.2	5.2	7.2	7.5	3.9
All-Items Index		100.0	12.6	8.2	6.9	8.5	7.5	5.9	4.4	3.1	2.8	3.3

GLOSSARY

Consumer Price Index (CPI) is an index which measures price changes in goods and services with reference to a base period.

Inflation is a measurement of prices movement of goods and services in a particular country.

Domestic Tradable refers to the goods and services which a country (Botswana) can export to other countries.

Imported Tradable represents the goods and services which a country (Botswana) imports from other countries (trading partners).

Non-Tradable refers to the goods and services which a country cannot either export or import to other countries.

All-Tradable refers to the total of Domestic and Imported tradable.

Trimmed Mean Core Inflation- attempts to remove 8 percent (by weight) of the commodity sub-groups with the largest price changes at each of the ends of an ordered series of price changes in any given month.

Core inflation by Exclusion is a measure used to remove the volatility inherent in prices that are only adjusted periodically and not always in response to currently prevailing market forces.

The **base period** is usually understood to mean the period with which all the other periods are compared.

Basket -A specified set of goods and services contained in the CPI basket

Weights normally represent the relevant importance of the item or product in a group.