

CONSUMER PRICE INDEX

January 2015

STATISTICS BOTSWANA

Copyrights©Statistics Botswana 2015

Contact Statistician:

Phaladi Labobedi

Tel: (267) 3671300

Fax: (267) 3952201

Statistics Botswana. Private Bag 0024 Botswana
Tel: (267) 367 1300. **Fax:** (267) 395 2201. **Email:** info@statsbots.bw **Website:** www.cso.gov.bw

CONTENTS

COMMENTARY

Section 1: **Headline Inflation**

Section 2: **Core Inflation**

CHARTS

1. **National Rates of Inflation, January 2012 – January 2015**
2. **Monthly Changes in the Cost-of-Living Index, January 2012 – January 2015**
3. **Non-Tradable Inflation Rates, January 2012 – January 2015**
4. **Tradable Inflation Rates, January 2012 - January 2015**

TABLES

1. **Cost-of-Living Index Series (January 2012 – January 2015)**
2. **National Cost-of-Living Group and Section Indices**
3. **Cost-of-Living Index by Tradability (January 2012 – January 2015)**
4. **Core Inflation Rates**
5. **Annual Average Inflation Rates 2008-2014**

GLOSSARY

COMMENTARY

Section 1: Headline Inflation

The annual inflation rate in January 2015 was 3.6 percent, a decrease of 0.2 of a percentage point on the December 2014 rate of 3.8 percent. Annual inflation in January 2015 was lower than the 4.4 percent recorded during the same month in 2014. The downward movement of annual inflation rate between January 2014 and January 2015 was attributed to the decrease in prices of commodities in the main component of Transport which dropped by 3.0 percentage points. The inflation rates for regions between December 2014 and January 2015, indicated that Cities & Towns declined to 3.6 from 3.8 percent, Urban Villages' also decreased to 3.7 from 3.8 percent while Rural Villages' went up to 3.7 from 3.6 percent.

The January national Consumer Price Index registered an increase of 0.8 percent, moving from 178.1 in December 2014 to 179.5 in January 2015. The Urban and Rural Villages' index both realized an increase of 0.9 percent, moving from 177.0 to 178.5 and from 183.7 to 185.3 respectively. The Cities & Towns' index went up by 0.7 percent, from 176.7 to 177.9 between the two months.

Four group indices recorded changes higher than 1.0 percent between December 2014 and January 2015 namely; *Education (6.3 percent)*, *Health (2.5 percent)*, *Alcoholic Beverages, Tobacco & Narcotics (2.2 percent)* and *Furnishing, House Hold Equipment & Routine Maintenance (1.1 percent)*.

The *Education* Group index recorded an increase of 6.3 percent, from 159.4 in December to 169.5 in January. The constituent section indices of *Pre-primary & Primary Education* and *Secondary & Tertiary Education* recorded increases of 7.3 and 5.6 percent respectively. The *Pre-primary & Primary Education* section index was 225.7 in January, up from 210.4 in December. The *Secondary & Tertiary Education* section index moved from 134.5 in December to 142.1 in the month under review. The rise was mainly attributed to the increases in the private secondary and *pre-primary & primary education* school fees.

The *Health* group index upped from 163.5 to 167.6, registering an increase of 2.5 percent between December and January. The increase owed to the upsurge in the section index of *Out-patient Services* which rose by 9.7 percent.

The *Alcoholic Beverages, Tobacco & Narcotics* group index recorded a rise of 2.2 percent, from 248.6 in December to 254.2 in January. This was due to an increase in the constituent section indices of *Alcoholic Beverages (2.5 percent)*. The upswing in the *Alcoholic Beverages* section index owed to a 5.0 percent increase in alcohol levy which effected in December 2014. With the cumulative alcohol levy adjustments, as of 2008, it is now at 55 percent.

The *Furnishing, House hold Equipment & Routine Maintenance* group index upped from 180.0 to 182.0, registering an increase of 1.1 percent between December and January. The upward movement of *Furnishing, House hold Equipment & Routine Maintenance* index was mainly due to generally increases in the section indices, notably; *Furniture & Furnishing (3.2 percent)* and *Carpets & Other Floor Coverings (1.0 percent)*.

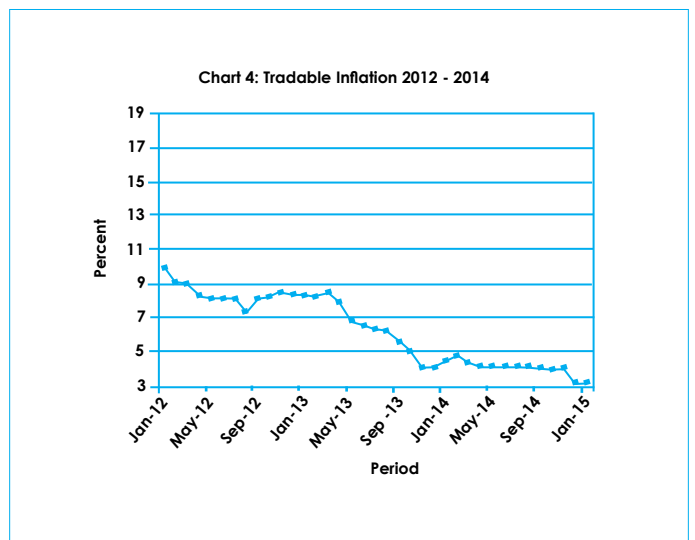
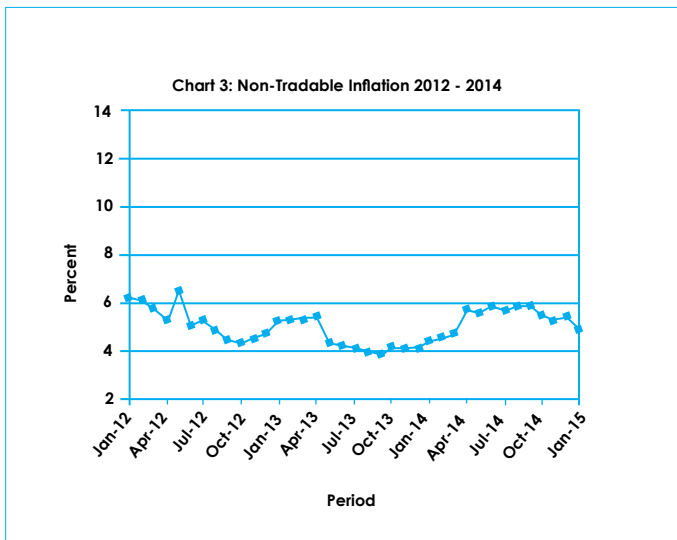
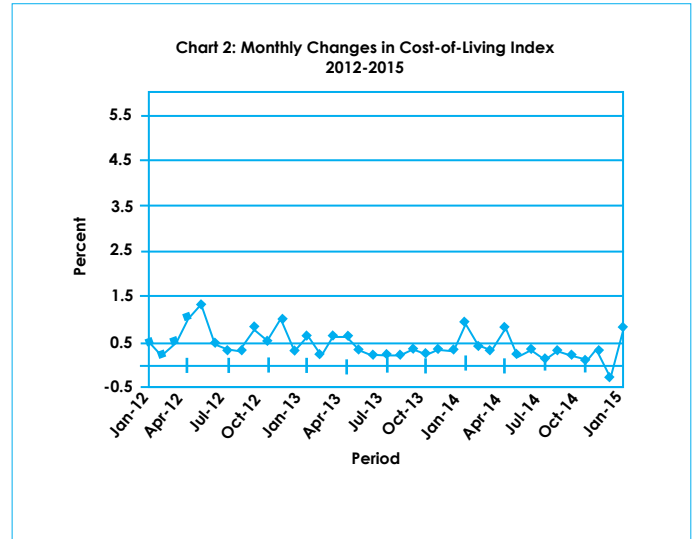
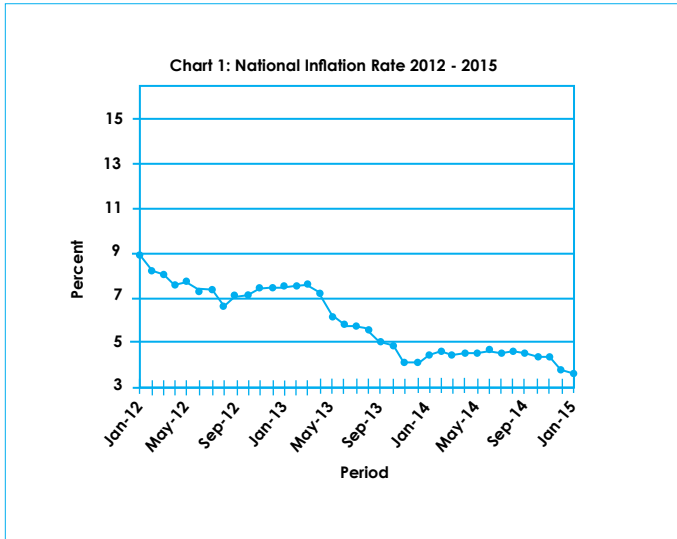
All-Tradable inflation rate in January 2015 remained unchanged at 3.1 percent as in December 2014. The *Non-Tradable* inflation rate dropped from 5.4 to 4.9 percent between December 2014 and January 2015. The *Domestic Tradable* inflation rate registered a drop of 0.1 percent from 4.3 percent in December to 4.2 percent in January. The *Imported Tradable* inflation rate recorded a rise of 0.1 of a percentage point, from 2.4 percent in December 2014 to 2.5 percent in January 2015.

The *All-Tradable* index moved from 185.2 in December to 186.7 in January, recording an increase of 0.8 percent. The *Domestic Tradable* index registered an increase of 1.5 percent, moving from 201.7 to 204.7. The *Non-Tradable index* advanced from 161.6 to 162.5 registering a rise of 0.6 percent, while the *Imported Tradable* index moved from 176.6 to 177.4 recording an increase of 0.5 percent between the two months.

Section 2: Core Inflation

The Trimmed Mean Core Inflation rate registered a decline of 0.1 of a percentage point between the two months, from 3.7 percent in December 2014 to 3.6 percent in January 2015. The Core Inflation rate by exclusion registered a drop of 0.1 of a percentage point in the same period, moving from 4.9 percent to 4.8 percent.

CHARTS



Anna N. Majelantle
Statistician General
 13th February 2015

TABLE 3: COST-OF-LIVING INDEX BY TRADABILITY (September 2006 = 100.0)

		All Items		Non-Tradable		Domestic Tradable		Imported Tradable		All Tradable	
		Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation
Weights		100.00		30.92		23.91		45.17		69.08	
2012	Jan	154.3	8.8	141.1	6.2	169.6	7.2	155.3	11.5	160.0	9.9
	Feb	154.7	8.2	141.0	6.1	170.4	7.3	155.7	10.2	160.6	9.1
	Mar	155.4	8.0	141.4	5.8	172.2	7.6	156.1	9.8	161.4	8.9
	Apr	156.9	7.5	142.4	5.3	176.0	8.5	156.7	8.2	163.2	8.3
	May	159.0	7.7	144.2	6.5	178.0	8.9	158.9	7.7	165.3	8.1
	Jun	159.8	7.3	145.0	5.1	178.7	8.4	159.7	7.8	166.0	8.1
	Jul	160.3	7.3	145.2	5.2	179.0	8.2	160.5	8.0	166.7	8.1
	Aug	160.8	6.6	145.7	4.8	179.3	8.2	161.1	6.7	167.2	7.3
	Sept	162.1	7.1	146.1	4.4	179.9	8.2	163.4	8.0	168.9	8.1
	Oct	162.8	7.1	146.3	4.3	181.6	8.7	164.0	7.8	169.9	8.2
	Nov	164.4	7.4	146.7	4.5	183.7	9.7	165.9	7.8	172.0	8.5
	Dec	164.9	7.4	147.3	4.7	184.5	9.8	166.3	7.5	172.5	8.4
2013	Jan	165.9	7.5	148.4	5.2	185.6	9.5	167.1	7.6	173.4	8.3
	Feb	166.2	7.5	148.5	5.3	186.0	9.2	167.5	7.6	173.8	8.2
	Mar	167.1	7.6	148.8	5.3	188.4	9.4	168.1	7.7	175.0	8.4
	Apr	168.2	7.2	150.1	5.4	190.9	8.4	168.4	7.5	176.0	7.9
	May	168.7	6.1	150.4	4.3	191.4	7.5	168.9	6.3	176.5	6.8
	Jun	169.1	5.8	151.1	4.2	191.1	6.9	169.5	6.2	176.8	6.5
	Jul	169.4	5.7	151.2	4.1	191.1	6.8	170.1	6.0	177.2	6.3
	Aug	169.8	5.6	151.4	4.0	191.4	6.8	170.5	5.8	177.6	6.2
	Sept	170.2	5.0	151.8	3.9	191.9	6.6	171.0	4.7	178.1	5.5
	Oct	170.6	4.8	152.3	4.1	192.1	5.8	171.4	4.5	178.5	5.0
	Nov	171.6	4.1	152.8	4.1	192.9	5.0	171.9	3.6	179.1	4.1
	Dec	171.7	4.1	153.3	4.1	193.3	4.8	172.4	3.7	179.5	4.1
2014	Jan	173.1	4.4	154.9	4.4	196.4	5.8	173.1	3.6	181.0	4.4
	Feb	173.9	4.6	155.1	4.5	198.9	6.9	173.4	3.5	182.1	4.8
	Mar	174.5	4.4	155.9	4.7	199.7	6.0	173.7	3.3	182.5	4.3
	Apr	175.9	4.5	158.7	5.7	200.6	5.1	174.2	3.4	183.2	4.1
	May	176.3	4.5	158.9	5.6	201.2	5.1	174.8	3.5	183.8	4.1
	Jun	176.8	4.6	159.8	5.8	201.5	5.4	175.2	3.4	184.1	4.1
	Jul	177.0	4.5	159.8	5.7	201.7	5.5	175.5	3.2	184.4	4.1
	Aug	177.5	4.6	160.1	5.8	201.8	5.4	176.3	3.4	185.0	4.1
	Sept	177.8	4.5	160.6	5.8	201.6	5.1	176.7	3.3	185.3	4.0
	Oct	178.0	4.3	160.6	5.5	201.7	5.0	177.0	3.3	185.5	3.9
	Nov	178.5	4.3	160.9	5.3	201.7	4.6	178.0	3.5	186.2	4.0
	Dec	178.1	3.8	161.6	5.4	201.7	4.3	176.6	2.4	185.2	3.1
2015	Jan	179.5	3.6	162.5	4.9	204.7	4.2	177.4	2.5	186.7	3.1
% Change on last month		0.8		0.6		1.5		0.5		0.8	

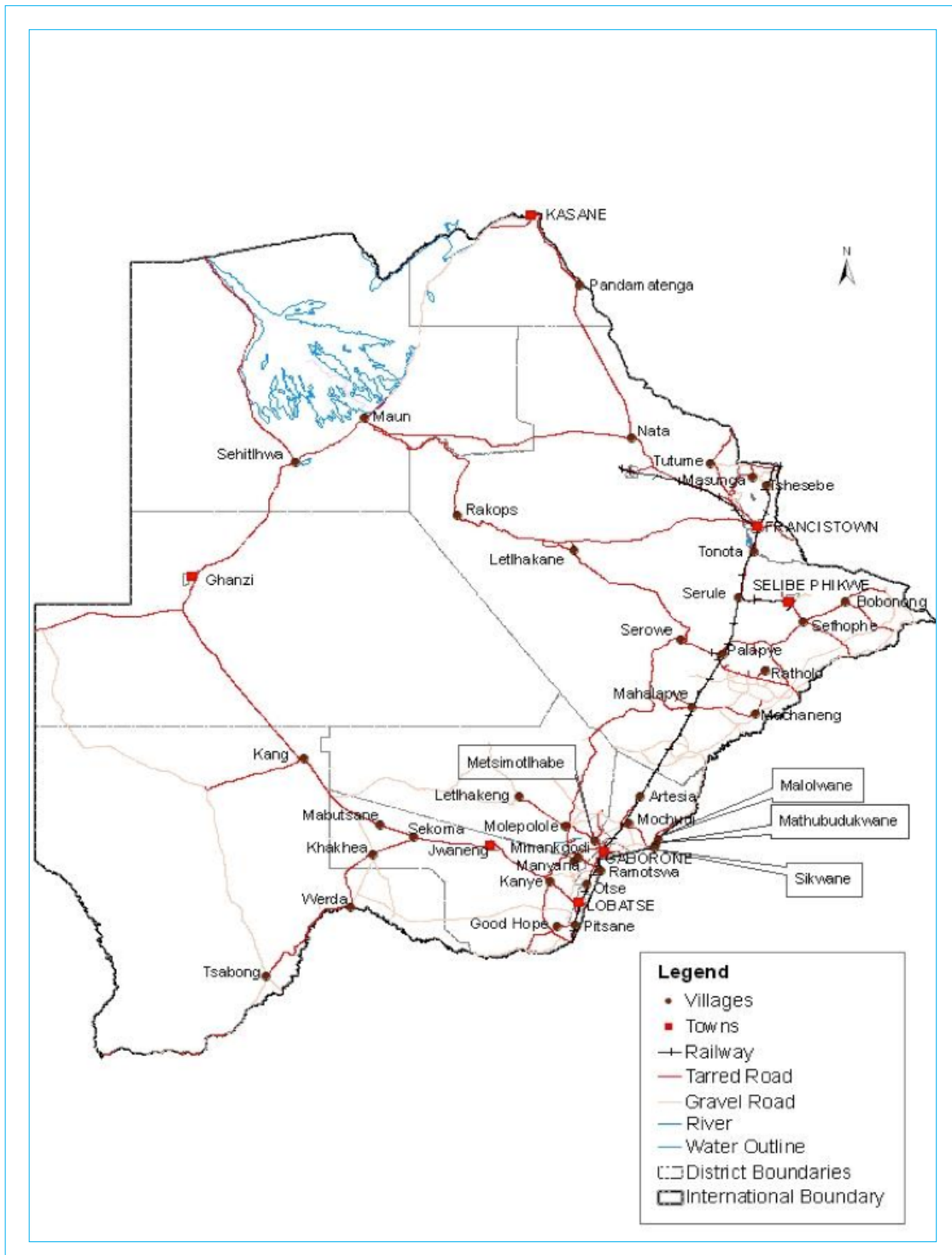
TABLE 4: Core Inflation Rates by Exclusion and Trimmed Mean

Year	Month	Consumer Price Index (Trimmed Mean) (September 2006 = 100)	Core Monthly Inflation Rate (Trimmed Mean) (percentage)	Consumer Price Index (Excluding Administered Prices) (September 2006 = 100)	Core Monthly Inflation (Excluding Administered Prices) (percentage)
2012					
	Jan	157.9	8.1	156.0	7.2
	Feb	158.0	7.8	156.5	7.2
	Mar	159.2	7.6	157.4	7.0
	Apr	158.9	7.3	159.2	6.6
	May	160.7	7.3	160.2	6.5
	Jun	163.9	6.8	161.2	6.4
	Jul	164.5	6.8	161.8	6.5
	Aug	164.0	6.3	162.5	6.6
	Sept	165.6	6.5	163.2	6.5
	Oct	163.7	6.7	164.1	6.6
	Nov	165.0	7.1	165.1	6.9
	Dec	165.7	7.1	165.7	6.8
2013					
	Jan	166.8	7.2	166.8	6.9
	Feb	167.2	7.2	167.2	6.9
	Mar	168.3	7.3	168.4	7.0
	Apr	172.2	6.8	169.4	6.4
	May	166.9	6.0	170.0	6.1
	Jun	168.4	5.7	170.3	5.7
	Jul	168.7	5.5	170.7	5.5
	Aug	169.1	5.4	171.1	5.3
	Sept	169.8	4.7	171.7	5.2
	Oct	171.5	4.7	172.2	4.9
	Nov	176.1	4.0	172.9	4.7
	Dec	174.8	4.0	173.5	4.7
2014					
	Jan	173.9	4.1	175.4	5.2
	Feb	173.4	4.1	176.3	5.5
	Mar	175.1	4.0	177.1	5.2
	Apr	175.0	4.1	178.2	5.2
	May	175.4	4.1	178.8	5.2
	Jun	177.8	4.2	179.4	5.3
	Jul	178.0	4.2	179.7	5.3
	Aug	177.6	4.2	180.3	5.3
	Sept	177.8	4.1	180.7	5.2
	Oct	179.0	4.0	180.9	5.1
	Nov	179.6	3.9	181.5	5.0
	Dec	176.6	3.7	182.0	4.9
2015					
	Jan	178.5	3.6	183.7	4.8

Table 5: Average Annual Inflation (September 2006=100)

		YEAR							
Group	Weights	2008	2009	2010	2011	2012	2013	2014	
1	Food & Non-Alcoholic Beverages	21.84	20.2	14.7	3.6	6.9	8.0	5.4	3.0
2	Alcoholic Beverages,Tobacco & Narcotics	9.29	13.2	35.2	7.1	8.4	7.6	10.3	9.0
3	Clothing and Footwear	7.52	2.0	8.4	8.0	8.9	7.5	6.3	6.0
4	Housing, Water, Electr. Gas & Other Fuels	11.46	8.1	4.8	6.4	8.4	7.7	4.3	3.9
5	Furnishing, H/H Equipment& Routine Maintenance	6.76	6.0	11.9	9.4	9.0	7.3	4.9	5.0
6	Health	2.71	11.3	5.5	2.7	4.5	5.9	5.5	8.3
7	Transport	18.98	21.2	(8.4)	12.1	13.2	10.8	7.3	1.2
8	Communication	3.01	(0.3)	(0.3)	1.2	(3.0)	(1.4)	0.3	0.3
9	Recreation & Culture	2.22	2.3	5.0	6.0	8.3	5.8	4.5	4.2
10	Education	3.37	3.9	3.9	5.8	10.6	6.4	4.7	7.4
11	Restaurants & Hotels	3.27	12.7	18.8	9.0	9.3	8.4	7.9	7.6
12	Miscellaneous Goods & Services	9.57	4.9	3.8	7.0	5.3	2.0	1.2	5.2
	All-Items Index	100.0	12.6	8.2	6.9	8.5	7.5	5.9	4.4

PRICES COLLECTION COVERAGE FOR BOTSWANA CONSUMER PRICE INDEX (CPI)- 2015



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.