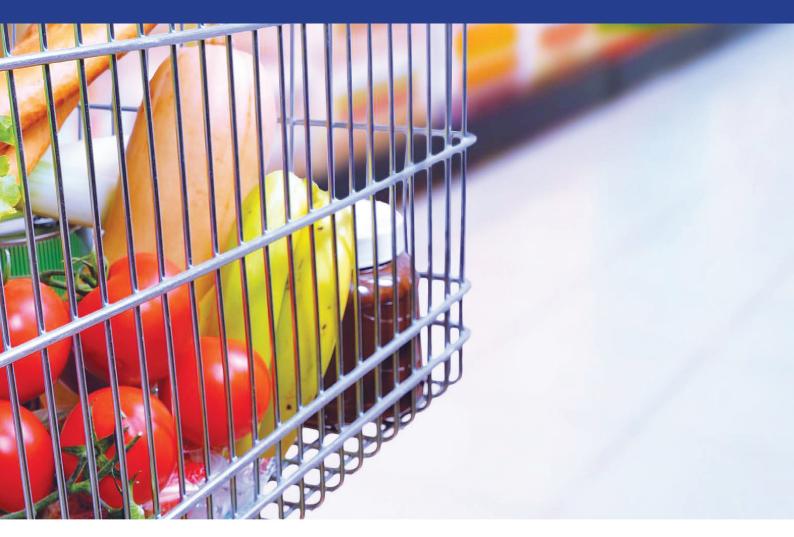


ANNUAL CPI STATS BRIEF 2019



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PREFACE

This **Stats Brief** presents a brief summary of Botswana Consumer Price Indices (CPI) and Inflation rates for 2019. Price Statistics information is appropriate for formulation of socio-economic and monetary policies, quantifying the purchasing power of the Pula in relation to goods and services over time. 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 produces the Consumer Price Index monthly, to meet the expectations of the stakeholders.

The annual average inflation rate of 2.8 percent recorded in 2019 was within the inflation target range of 3 – 6 percent set out by the Bank of Botswana.

It is anticipated that our stakeholders would provide regular response to assist Statistics Botswana to improve on the quality of, not only this **Stats Brief**, but all its publications.

Dr Burton S. Mguni Statistician General

April 2020

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 December 2018.

The CPI is used to calculate 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 essential for economic policy-making, especially the monetary policy and deflate Gross Domestic Product (GDP). It is also useful for adjusting contracts, wages and salaries among others.

Consumer Price Index (CPI) is computed using the Modified Laspeyres method, which is in accordance with regional and international recommendations. **Table 1** shows the 12 groups that are comprised in the Botswana CPI basket and their corresponding indices for 2018 and 2019.

2.0 Consumer Price Index-2019

On average, the All Items Index was 101.4 in 2019 as opposed to the 2018 average index of 98.6. This indicates that the cost of a fixed basket of goods and services, which was worth 98.6 units in 2018 had increased to a cost of 101.4 units in 2019. (Refer to **Table 1**).

The average inflation rate in 2019 stood at 2.8 percent compared to 3.2 percent realized in 2018. This implies that the prices movement for goods and services in the Consumer Price Index (CPI) basket changed at a slower rate of 2.8 percent on average in 2019, compared to 3.2 percent in 2018. The fall in the average annual inflation rate of 2.8 per cent between 2018 and 2019 was mainly credited to the drop of all group indices except Food and Alcoholic Beverages & Tobacco. Transport inflation increased by 6.2 percent in 2019 compared to 7.5 percent in 2018. The Transport group index accounted for 23.4 percent of CPI basket weights, which implied its significant impact in the CPI overall inflation. In addition, almost all of the group indices recorded a fall in 2019 that suppressed the increases of Food and Alcoholic Beverages & Tobacco towards its contribution to the overall inflation. (Refer to **Table 1**).

2.1 Transport

The Transport Group Index presented a rise of 6.2 percent, from an average of 95.0 in 2018 to 100.8 in 2019. The rise in this group index was caused by an increase in the section index of Purchase of Vehicles that were recorded in January, February, August and November of 2019 (See **Table 1**).

Average inflation rate of Transport stood at 6.2 percent in 2019 compared to 7.5 percent recorded in 2018. There was no fuel price changes in 2019 which had helped to suppress the inflation rate for Transport Group Index. Refer to **Table 7**.

2.2 Food & Non-Alcoholic Beverages

The Food group Index recorded a rise of 1.4 percent, from an average of 100.4 in 2018 to 101.8 in 2019. Given the fact that the weight of Food & Non-Alcoholic Beverages is 13.5 in the CPI basket and the frequency at which a consumer purchases food items, high food prices can have a negative impact on consumer welfare particularly, those individuals in the bottom income level, for whom food, has a larger share of their total expenditures. See **Table 1**.

The average inflation rate of Food was at -0.5 percent in 2018, recording an increase of 1.9 of a percentage point in 2019. The rise in Food Inflation rate was due to general increasse in all section indices especially Bread & Cereals and Meat, which recorded 2,1 and 5,9 percent respectively, during the period under review (refer to **Table 7**).

2.3 Alcoholic Beverages & Tobacco

The Alcoholic Beverages & Tobacco Group Index stood at 102.5 on average in 2019, an increase of 2.8 percent from the 2018 average of 99.7. Contributing to the increase was the general rise in the section indices (See **Table 1**).

The average inflation rate for Alcoholic Beverages & Tobacco group rose to 2.8 percent in 2019 as opposed to 1.1 percent recorded in 2018. This rise in Alcoholic Beverages & Tobacco group was mainly due to increase of Alcoholic Beverages, which moved from 0.7 percent in 2018 to 2.7 percent in 2019 (refer to **Table 7**).

2.4 Housing, Water, Electricity, Gas & Other Fuels

The Housing, Water, Electricity, Gas & Other Fuels group index stood at 100.8 on average in 2019, an increase of 2.1 percent from the 2018 average of 98.8. The increase in this group index was mainly due to an increase in the constituent section index of Electricity, Gas & Other Fuels, which rose by 2.6 percent (See **Table 1**).

The Housing, Water, Electricity, Gas & Other Fuels group average inflation rate was 2.1 percent in 2019 compared to 4.0 percent registered in 2018. There was a significant downward movement in the inflation trend due to general decrease of section rates notably Water Supply & Miscellaneous Services (from 5.3 percent to 0) and Electricity, Gas and Other Fuels (from 7.9 to 2.6 percent). Refer to **Table 7**.

2.5 Miscellaneous Goods & Services

The Miscellaneous Goods & Services group index went up on average from 98.7 to 104.0, registering an increase of 5.3 percent during the period under review. The rise was attributed to the general increase in the section indices (See **Table 1**).

The Miscellaneous Goods & Services group average inflation rate declined to 5.3 percent in 2019 from 6.4 percent in 2018. The downward inflation trend was caused by general decreases of section rates in 2019 (refer to **Table 7**).

2.6 Other Group Indices

The Education group index rose by 3.1 percent while the Health group index recorded an increase of 1.0 percent. Restaurants & Hotels group Index rose by 2.5 percent whereas Clothing & Footwear group Index recorded 1.3 percent in 2019. Furnishing, Household Equipment & Routine Maintenance group index recorded 2.1 percent increase. The Recreation & Culture grew by 0.4 percent while Communications group index dropped by 3.8 percent (See **Table 1**).

All other groups recorded downward inflation trend from 2018 to 2019 as follows; Clothing & Footwear (from 1.8 to 1.3 percent), Education (from 5.5 to 3.1 percent), Restaurants & Hotels (from 3.4 to 2.5 percent), Recreation & Culture (from 1.8 to 0.4 percent Furnishing, Household Equipment & Routine Maintenance remained constant at 2.1 percent (refer to **Table 7**).

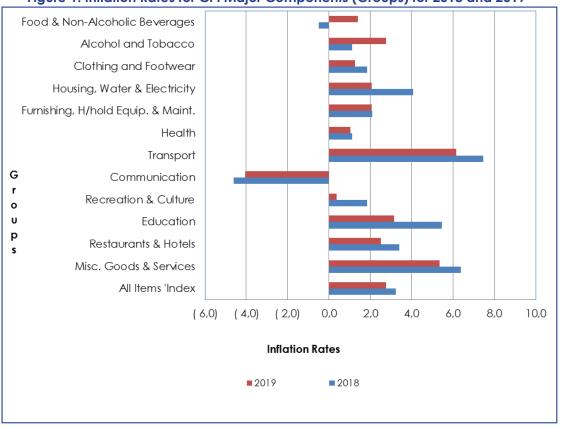


Figure 1: Inflation Rates for CPI Major Components (Groups) for 2018 and 2019

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 2018 were mainly driven by the rise for one of life's basic necessities, which is transport.

2.7 Consumer Price Index by Tradeability

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

The table illustrates that it was expensive to buy Goods classified as Imported tradable as reflected by its average annual inflation rate of 3.5 percent compared to those classified as Non-Tradeables and Domestic Tradeables with the rates of 2.2 and 2.6 percent respectively.

Domestic Tradeables Index stood at 102.4 on average, whereas Imported Tradeables and Non-Tradeables Indices registered an average of 101.0 and 102.4 respectively.

2.8 Consumer Price 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 2019 inflation rate in Rural Villages was moving at a sluggish pace compared to urban villages and cities/towns. In Cities/Towns and Urban villages consumers needed 102.3 units in December 2019 to buy the same basket which would cost 101.6 units in Rural Villages. This implies that it was expensive to buy goods and services in Cities/Towns and Urban Villages compared to Rural villages as reflected by average inflation rate of 2.1 in 2019.

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 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.

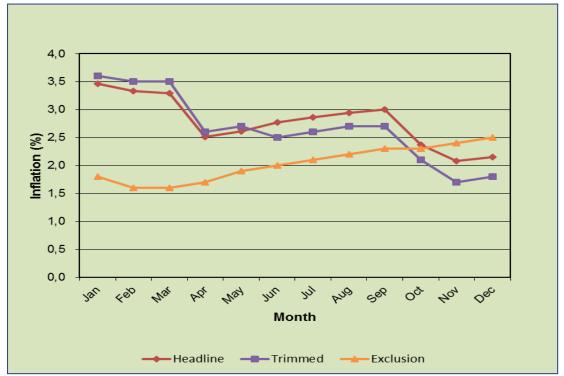


Figure 2: Headline and Core Inflation Rates for 2019

Figure 2 above gives a comparison of headline and core inflation rates. The graph depicts that for the first quarter of 2019 headline inflation was slightly lower than the Trimmed Mean Core inflation, while the Core Inflation by Exclusion was trending even lower than the two. During the fourth quarter the Core Inflation by Exclusion was higher than both headline and Trimmed Mean Core inflation. Throughout the year both headline and Trimmed Mean Core inflation were displaying an identical fluctuation pattern.

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

Comparatively, Botswana's annual average inflation rate of 2.8 percent in 2019 was the lowest among the Southern African Customs Union (SACU) member states except for Swaziland who recorded 2.6 percent. The highest annual average inflation rate was recorded in Lesotho and South Africa, which recorded a rate of 5.2 and 4.1 percent respectively, whereas Namibia registered an average annual rate of 3.7 percent. (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 2019. 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 P0.37 in 2019 and goods that would have been bought at P1.00 in 2003 would cost P2.71 in 2019. Refer to **Table 5**.

Table 1: Annual percentage change of Consumer Price Indices between 2018 and 2019, by major component, for Botswana

		2018	2019	Annual Average change 2018	Annual Average change 2019
Group	Weight			Percent	Percent
Food & Non-Alcoholic Beverages	13.55	100.4	101.8	-0.5	1.4
Alcoholic Beverages, Tobacco & Narcotics	4.34	99.7	102.5	1.1	2.8
Clothing & Footwear	5.95	99.5	100.7	1.8	1.3
Housing	17.45	98.8	100.8	4.1	2.1
Furnishing, Household Equipment & Routine Maintenance	4.85	99.4	101.4	2.1	2.1
Health	3.38	99.5	100.5	1.1	1.0
Transport	23.43	95.0	100.8	7.5	6.2
Communications	6.94	104.4	100.2	-4.6	-3.8
Recreation & Culture	2.82	99.8	100.2	1.8	0.4
Education	4.60	100.0	103.1	5.5	3.1
Restaurants & Hotels	3.66	98.9	101.4	3.4	2.5
Miscellaneous Goods & Services	9.01	98.7	104.0	6.4	5.3
All Item Index	100.0	98.6	101.4	3.2	2.8

Table 2: Consumer Price Index by Tradeability - 2019 (December 2018 = 100.0)

		All Item Index	Inflation	Non Tradeables Index	Inflation	Domestic Tradeables Index	Inflation	Imported Tradeables Index	Inflation	All Tradeables Index	Inflation
Weights		100.00	%	42.29	%	15.46	%	42.26	%	57.71	%
2019	Jan	100.3	3.5	100.2	3.6	100.8	1.5	100.3	4.4	100.4	3.4
	Feb	100.5	3.3	100.2	3.5	100.9	1.4	100.5	4.2	100.6	3.3
	Mar	100.6	3.3	100.3	3.3	101.3	1.5	100.6	4.2	100.7	3.3
	Apr	101.2	2.5	101.3	0.9	101.8	1.9	100.8	4.3	101.1	3.5
	May	101.3	2.6	101.3	0.8	102.3	2.4	101.0	4.4	101.4	3.7
	Jun	101.5	2.8	101.6	2.0	102.5	2.6	101.0	3.6	101.4	3.2
	Jul	101.7	2.9	101.8	2.0	102.7	2.9	101.2	3.7	101.6	3.4
	Aug	101.7	2.9	101.8	2.0	103.0	3.2	101.3	3.7	101.7	3.5
	Sep	101.8	3.0	101.9	1.9	103.2	3.4	101.2	3.9	101.7	3.6
	Oct	101.9	2.4	101.9	2.0	103.3	3.5	101.3	2.3	101.8	2.6
	Nov	102.0	2.1	102.0	2.1	103.4	3.5	101.5	1.6	102.0	2.1
	Dec	102.2	2.2	102.2	2.2	103.7	3.7	101.6	1.6	102.1	2.1
Annual av	/erage	101.4	2.8	101.4	2.2	102.4	2.6	101.0	3.5	101.4	3.2

Table 3: Consumer Price Index and Inflation Rates by Strata

			Urban	Rural	A	nnual Inflation	
		Cities & Towns	Village Index	Village Index	Cities & Towns	Urban Village	Rural Village
Weights		0.38	0.41	0.21	%	%	%
2019	Jan	100.4	100.3	100.2	4.1	3.4	2.4
	Feb	100.6	100.5	100.3	4.0	3.2	2.3
	Mar	100.6	100.6	100.3	3.9	3.2	2.2
	Apr	101.2	101.3	100.8	2.9	2.6	1.7
	May	101.4	101.5	100.9	2.9	2.7	1.8
	Jun	101.6	101.6	101.1	3.0	2.9	2.1
	Jul	101.8	101.8	101.2	3.1	3.0	2.1
	Aug	101.8	101.9	101.3	3.2	3.1	2.2
	Sep	101.9	102.0	101.4	3.2	3.1	2.3
	Oct	102.0	102.0	101.4	2.5	2.5	1.8
	Nov	102.1	102.1	101.5	2.2	2.3	1.5
	Dec	102.3	102.3	101.6	2.3	2.3	1.6
Annual A	verage	101.5	101.5	101.0	3.1	2.9	2.0

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Table 4: Comparison of Botswana and SACU Member States Headline Inflation (2019)

2019	Botswana	Lesotho	Swaziland	Nambia	South Africa
January	3.5	5.0	5.0	4.7	4.0
February	3.3	5.0	5.1	4.4	4.1
March	3.3	5.2	5.3	4.5	4.5
April	2.5	5.6	1.8	4.5	4.4
May	2.6	5.9	1.6	4.1	4.5
June	2.8	5.6	1.7	3.9	4.5
July	2.9	5.4	1.7	3.6	4.0
August	2.9	5.2	2.0	3.7	4.3
September	3.0	5.1	1.9	3.3	4.1
October	2.4	4.9	1.6	3.0	3.7
November	2.1	4.6	1.8	2.5	3.6
December	2.2	4.8	2.0	2.6	4.0
Average	2.8	5.2	2.6	3.7	4.1

Table 5: Purchasing Power of the Pula 2003 - 2019

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	0.38	0.37
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	0.41	0.40
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	0.44	0.43
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	0.49	0.48
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	0.53	0.51
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	0.59	0.58
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	0.64	0.62
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	0.69	0.67
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	0.74	0.72
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	0.80	0.78
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	0.85	0.82
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	0.89	0.86
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	0.91	0.89
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	0.94	0.91
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	0.97	0.94
2018	2.63	2.46	2.27	2.03	1.90	1.68	1.56	1.46	1.34	1.25	1.18	1.13	1.10	1.07	1.03	1.00	0.97
2019	2.71	2.53	2.33	2.09	1.95	1.73	1.60	1.50	1.38	1.28	1.21	1.16	1.13	1.10	1.06	1.03	1.00

Table 6: 2019 National Consumer Price Group and Section Indices (December 2018 = 100.0)

Group Section	Weights	Jan	Feb	Mar	Apr	Мау	η	ᅙ	Aug	Sep	Oct	Nov.	Dec
Food & Non-Alcoholic Beverages	13.55	100.4	100.6	101.0	101.4	102.0	102.0	102.1	102.1	102.4	102.3	102.5	103.0
Bread & Cereals	4.26	100.2	100.6	100.8	101.0	101.8	102.1	102.5	102.9	103.6	103.5	104.0	104.1
Meat (Fresh, Chilled & Frozen)	2.36	100.6	100.9	101.3	101.8	101.9	101.9	102.0	102.0	102.4	102.8	103.6	105.7
Fish (Fresh, Chilled & Frozen)	0.18	100.3	100.2	100.4	101.5	102.3	102.7	102.9	103.3	103.9	103.9	104.0	104.7
Milk, Cheese & Milk Products	0.98	100.1	100.2	100.3	101.0	101.2	101.1	101.8	102.3	102.2	102.0	101.9	101.5
Oils & Fats	0.92	99.9	99.8	99.9	100.2	100.3	100.5	100.4	100.5	100.3	100.7	100.8	100.7
Fruit	0.78	100.9	101.4	102.8	103.0	104.1	103.0	102.6	101.7	101.8	100.8	100.9	103.0
Vegetables	1.08	101.0	100.7	102.2	103.2	105.4	105.2	104.0	103.4	103.5	102.9	102.3	101.8
Sugar, Jam, Honey, Chocolate & Confectionery	1.11	100.1	99.9	100.0	99.7	99.5	99.4	99.4	99.1	98.5	98.4	98.0	98.2
Food not else where Classified	0.54	100.6	101.3	101.7	102.7	102.9	103.5	103.5	103.6	103.6	103.7	103.7	103.2
Coffee, Tea & Cocoa	0.73	100.7	100.8	100.9	101.4	101.7	102.0	101.8	101.4	101.5	101.7	101.8	101.6
Mineral Waters, Soft Drinks, Fruits & Veg. Juices	0.62	100.5	101.1	101.5	101.9	102.3	102.3	102.4	102.5	102.6	102.3	102.3	102.4
Alcoholic Beverages &,Tobacco	4.34	99.8	99.6	99.9	101.2	102.4	103.2	103.5	103.6	103.8	104.1	104.2	104.4
Alchoholic Beverages	3.51	99.6	99.4	99.5	101.1	102.3	103.2	103.5	103.7	103.8	104.2	104.2	104.5
Tobacco	0.82	100.3	100.4	101.3	101.9	102.7	103.1	103.2	103.3	103.6	103.9	104.0	104.0
Clothing & Footwear	5.95	100.2	100.2	100.3	100.4	100.5	100.7	100.8	101.0	101.0	101.1	101.3	101.3
Clothing	2.60	100.2	100.2	100.3	100.6	100.7	101.1	101.0	101.4	101.4	101.6	101.8	102.1
Other articles of Clothing	0.72	100.4	100.4	100.4	100.4	100.3	100.3	100.4	100.6	100.9	100.9	100.9	101.0
Cleaning, Repair & Hire	0.61	100.0	100.0	100.3	100.3	100.3	100.7	101.0	101.1	101.2	101.2	101.2	101.2
Footwear	2.03	100.1	100.1	100.3	100.2	100.4	100.4	100.5	100.6	100.4	100.6	100.7	100.4
Housing, Water, Electr. Gas & Other Fuels	17.45	100.1	100.1	100.3	100.3	100.4	100.9	101.0	101.1	101.2	101.3	101.3	101.5
Rent paid by Tenants	7.78	100.0	100.0	100.4	100.4	100.4	101.5	101.5	101.5	101.9	101.9	101.9	102.5
Materials for Maintenance & Repair of dwellings	3.83	100.4	100.6	100.8	100.9	101.0	100.9	101.3	101.6	101.8	101.9	102.0	101.8
Water Supply & Misc. Services	1.96	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Electricity Gas and other Fuels	3.89	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	100.0	100.0	100.1	100.0
Furnishing, Household Equipment & Routine	4.85	100.2	100.4	100.6	100.7	100.8	101.6	101.0	101.8	102.1	102.2	102.4	102.7
Maintenance Furniture & Furnishing	1.35	100.2 100.2	100.4	100.4	100.7	100.4	100.5	101.8 101.2	101.5	101.5	101.6	102.4	102.7
Carpets & Other Floor Coverings	0.27	100.2	100.2	100.4	100.4	100.4	100.7	100.8	100.7	101.0	101.0	101.7	101.7
Household Textiles	0.27	99.9	100.2	100.3	100.2	100.3	100.7	100.8	100.7	101.0	101.5	101.2	101.4
Household Appliances	0.72	100.1	100.1	100.1	100.1	100.2	100.4	100.8	99.9	99.9	99.9	99.9	100.1
Glassware, Tableware & Household Utensils	0.72	100.1	100.2	100.3	100.1	100.7	100.0	100.1	101.8	102.1	102.5	102.7	100.1
Small Tools, Miscelaneous Accessories	0.23	100.4	100.3	100.3	100.3	100.7	101.3	101.9	102.3	102.1	102.5	102.7	103.0
Goods & Services for H/hold Maintanance	1.95	100.3	100.7	101.1	101.3	101.7	103.3	103.2	102.9	102.3	103.8	103.9	102.5
	1.70	100.3	100.0	101.1	101.4	101.4	100.0	100.2	102.7	103./	103.0	100.7	104.5

Table 6 Cont'd: 2019 National Consumer Price Group and Section Indices (December 2018 = 100.0)

Group Section	Weights	Jan	Feb	Mar	Apr	Мау	nor	핕	Aug	Sep	oct	Nov	Dec
Health	3.38	100.1	100.2	100.3	100.3	100.4	100.5	100.6	100.7	100.6	100.7	100.8	100.8
Medical Products, App. & Equip.	0.98	100.5	100.5	100.8	101.1	101.2	101.5	101.7	101.5	101.4	101.6	101.7	101.8
Out-patient Services	0.93	100.0	100.0	100.1	100.1	100.1	100.3	100.4	100.8	100.8	100.9	101.0	101.0
Hospital Services	1.47	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Transport	23.43	100.3	100.6	100.5	100.7	100.8	100.6	100.9	101.0	100.9	101.0	101.2	101.3
Purchase of Vehicles	5.74	101.1	102.2	101.8	102.4	102.5	101.9	102.7	103.3	102.8	103.2	104.1	104.3
Operation of Personal Transport	12.56	100.0	100.1	100.1	100.1	100.3	100.3	100.3	100.3	100.4	100.3	100.4	100.4
Transport Services	5.13	100.0	100.0	100.0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Communication	6.94	100.0	100.0	100.0	100.0	100.0	100.1	100.1	100.2	100.2	100.3	100.4	100.4
Postal Services	0.21	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Telephone & Telefax Equipment	1.13	100.0	100.0	100.0	100.0	100.1	100.6	100.9	101.4	101.4	102.1	102.3	102.2
Telephone & Telefax Services	5.60	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	2.82	100.1	100.1	100.4	100.2	100.2	100.2	100.3	100.3	100.3	100.0	100.0	99.8
Audio Visual, Photographic Info. Proce. Equip.	2.10	100.1	100.2	100.4	100.1	100.1	100.1	100.2	100.0	100.0	99.7	99.6	99.3
Other Recreational Items & Equip.	0.30	100.2	100.1	100.6	100.6	101.0	100.9	100.9	101.0	101.1	101.2	101.2	101.5
Recreational & Cultural Services	0.31	100.0	100.0	100.0	100.0	100.0	99.9	99.8	99.8	99.8	99.8	99.8	99.8
Newspapers, Books & Stationary	0.11	100.0	100.0	100.2	100.2	100.4	101.8	102.0	104.7	104.8	105.0	105.1	105.1
Education	4.60	103.0	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1
Pre-Primary & Primary Education	1.89	103.0	103.3	103.3	103.3	103.4	103.4	103.4	103.4	103.4	103.4	103.4	103.4
Secondary & Tertiary Education	2.70	102.9	102.9	102.9	102.9	103.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0
Restaurants & Hotels	3.66	100.0	100.1	100.6	100.8	101.1	101.3	101.6	101.8	102.1	102.3	102.4	102.9
Restaurants, Cafes and the Like	3.02	100.0	100.1	100.7	100.8	101.0	101.2	101.6	101.7	102.0	102.2	102.4	102.9
Accommodation Services	0.64	100.2	100.2	100.4	101.0	101.3	101.7	102.0	102.2	102.2	102.7	102.7	102.9
Miscellaneous Goods & Services	9.01	100.3	100.6	100.4	104.9	104.9	105.0	105.4	105.3	105.3	105.2	105.3	105.3
Personal Care	2.33	100.5	100.6	100.6	100.9	101.1	101.5	101.7	101.1	101.0	100.9	100.7	100.7
Personal Effects N.E.C.	0.22	100.0	100.0	100.1	100.2	100.2	100.2	100.1	100.1	100.2	99.9	99.9	100.2
Social Protection	0.13	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6
Insurance	3.62	100.2	100.9	100.4	111.4	111.1	111.1	111.9	111.9	112.1	111.8	112.1	112.1
Financial Services	1.09	100.0	100.2	100.3	100.3	100.6	100.7	100.8	100.9	101.0	101.0	101.0	101.1
Taxes Licences, Fees	1.61	100.0	100.0	100.0	100.1	100.1	100.3	100.4	100.4	100.4	100.7	100.7	100.7
All-Items Index	100.0	100.3	100.5	100.6	101.2	101.3	101.5	101.7	101.7	101.8	101.9	102.0	102.2

TABLE 7: 2019 National Consumer Price Groups and Sections Inflation Rates (December 2018=100.0)

Group Section	Weights	2018 inflation	2019 inflation	Group Section	Weights	2018 inflation	2019 inflation
1,Food & Non-Alcoholic Beverages	13.55	-0.5	1.4	6,Health	3.38	1.1	1.0
Bread & Cereals	4.26	-5.5	0.4	Medical Products, App. & Equip.	0.98	3.0	3.3
Meat (Fresh, Chilled & Frozen)	2.36	0.7	2.1	Out-patient Services	0.93	1.0	0.7
Fish (Fresh, Chilled & Frozen)	0.18	2.5	2.9	Hospital Services	1.47	0.4	0.0
Milk, Cheese & Milk Products	0.98	2.2	2.7				
Oils & Fats	0.92	-1.2	-0.8	7,Transport	23.43	7.5	6.2
Fruit	0.78	3.2	3.0	Purchase of Vehicles	5.74	4.5	5.1
Vegetables	1.08	3.1	1.1	Operation of Personal Transport	12.56	8.4	7.8
Sugar, Jam, Honey, Chocolate & Confectionery	1.11	1.9	0.8	Transport Services	5.13	8.6	2.7
Food not else where Classified	0.54	1.2	3.1				
Coffee, Tea & Cocoa	0.73	6.8	3.2	8,Communication	6.94	-4.6	-3.8
Mineral Waters, Soft Drinks, Fruits & Veg. Juices	0.62	1.1	2.7	Postal Services	0.21	16.2	0.0
				Telephone & Telefax Equipment	1.13	1.1	0.2
2,Alcoholic Beverages &,Tobacco	4.34	1.1	2.8	Telephone & Telefax Services	5.60	-6.8	-5.2
Alchoholic Beverages	3.51	0.7	2.7				
Tobacco	0.82	2.6	3.1	9,Recreation & Culture	2.82	1.8	0.4
				Audio Visual, Photographic Info. Proce. Equip.	2.10	1.7	-0.0
3,Clothing & Footwear	5.95	1.8	1.3	Other Recreational Items & Equip.	0.30	1.1	1.2
Clothing	2.60	1.5	1.4	Recreational & Cultural Services	0.31	3.2	0.6
Other articles of Clothing	0.72	2.7	1.2	Newspapers, Books & Stationary	0.11	3.2	3.7
Cleaning, Repair & Hire	0.61	3.2	2.5				
Footwear	2.03	1.0	0.4	10,Education	4.60	5.5	3.1
				Pre-Primary & Primary Education	1.89	15.8	3.4
4, Housing, Water, Electr. Gas & Other Fuels	17.45	4.0	2.1	Secondary & Tertiary Education	2.70	2.2	3.0
Rent paid by Tenants	7.78	2.7	2.3				
Materials for Maintenance & Repair of dwellings	3.83	2.7	2.3	11,Restaurants & Hotels	3.66	3.4	2.5
Water Supply & Misc. Services	1.96	5.3	0.0	Restaurants, Cafes and the Like	3.02	3.3	2.4
Electricity Gas and other Fuels	3.89	7.9	2.6	Accommodation Services	0.64	3.9	3.1
5, Furnishing, Household Equipment & Routine Maintenance	4.85	2.1	2.1	12,Miscellaneous Goods & Services	9.01	6.4	5.3
Furniture & Furnishing	1.35	2.3	1.7	Personal Care	2.33	1.8	1.2
Carpets & Other Floor Coverings	0.27	1.7	1.6	Personal Effects N.E.C.	0.22	1.3	0.1
Household Textiles	0.29	1.9	1.3	Social Protection	0.13	18.6	1.6
Household Appliances	0.72	0.7	-0.0	Insurance	3.62	11.4	11.6
Glassware, Tableware & Household Utensils	0.23	0.1	2.1	Financial Services	1.09	3.0	2.1
Small Tools, Miscelaneous Accessories	0.04	1.9	1.6	Taxes Licences, Fees	1.61	2.8	0.4
Goods & Services for H/hold Maintanance	1.95	2.7	3.2				
				All-Items Index	100.0	3.2	2.8

Table 8; Average Annual Inflation for 2010 -2019 (December 2018 = 100.0)

	Group Indices	Weights	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Food & Non-Alcoholic Beverages	13.55	3.6	6.9	8.0	5.4	3.0	1.3	2.7	3.4	(0.5)	1.4
2	Alcoholic Beverages, Tobacco & Narcotics	4.34	7.1	8.4	7.6	10.3	9.0	6.1	2.5	4.5	1.1	2.8
3	Clothing and Footwear	5.95	8.0	8.9	7.5	6.3	6.0	7.6	6.5	3.2	1.8	1.3
4	Housing, Water, Electr. Gas & Other Fuels	17.45	6.4	8.4	7.7	4.3	3.9	7.1	6.3	5.4	4.1	2.1
5	Furnishing, H/H Equipment& Routine Maintenance	4.85	9.4	9.0	7.3	4.9	5.0	6.1	3.0	3.3	2.1	2.1
6	Health	3.38	2.7	4.5	5.9	5.5	8.3	6.3	3.0	2.4	1.1	1.0
7	Transport	23.43	12.1	13.2	10.8	7.3	1.2	(5.1)	(2.7)	1.6	7.5	6.2
8	Communication	6.94	1.2	(3.0)	(1.4)	0.3	0.3	0.3	0.2	0.5	(4.6)	(3.8)
9	Recreation & Culture	2.82	6.0	8.3	5.8	4.5	4.2	5.7	3.0	2.2	1.8	0.4
10	Education	4.60	5.8	10.6	6.4	4.7	7.4	6.4	3.7	4.1	5.5	3.1
11	Restaurants & Hotels	3.66	9.0	9.3	8.4	7.9	7.6	5.5	4.0	3.7	3.4	2.5
12	Miscellaneous Goods & Services	9.01	7.0	5.3	2.0	1.2	5.2	7.2	7.5	3.9	6.4	5.3
	All-Items Index	100.0	6.9	8.5	7.5	5.9	4.4	3.1	2.8	3.3	3.2	2.8

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

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

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

All-Tradeable refers to the total of Domestic and Imported tradeables.

Trimmed Mean Core Inflation- attempts to remove 8 percent (by weight) of the commodity subgroups 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.

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.