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## **COMMENTARY**

## SECTION 1: CORONAVIRUS (COVID-19) PANDEMIC AND CPI COMPILATION

The price collection for April data, was largely affected by recent developments of coronavirus (COVID-19) lockdown, which was declared on the 3rd of April 2020 in Botswana. Prices data collection was done through emails and telephone because of the COVID-19 restrictions and it covered approximately 70 % of items in the Consumer Price Index (CPI) basket. The most affected sections in the CPI Basket were Alcoholic Beverages, Clothing and Footwear, where outlets were closed to comply with social distancing rule. The closure of outlets has resulted in a number of missing (unobserved) prices. All missing (unobserved) prices were imputed using geometric mean of price relatives (variation) of the observed prices. This is in accordance with the international Consumer Price index (CPI) methodological (Imputation) procedures by the International Monetary Fund (MF). It should be noted that imputation makes use of the best available observed prices data to provide an unbiased estimate of price movement. Also imputation methods are self-correcting, implying that once prices become available, the index retains its consistency and reliability. Refer to Appendix A.

### **SECTION 2: HEADLINE INFLATION**

The annual inflation rate in April 2020 was 2.5 percent, registering an increase of 0.3 of a percentage point from 2.2 percent recorded in March 2020. The main contributors to the April annual inflation rate were; Housing, Water, Electricity, Gas & Other Fuels (1.1 percentage points) and Food & Non-Alcoholic Beverages (0.4 of a percentage point), refer **Table 5**.

The inflation rates for regions between March 2020 and April 2020 indicated that Cities & Towns rate rose by 0.4 of a percentage point, moving from 2.3 percent in March to 2.7 percent in April. Rural Villages' rate rose from 2.0 percent in March to 2.3 percent in April 2020. The Urban Villages' rate was 2.6 percent in April, registering an increase of 0.3 of a percentage point on the March rate of 2.3 percent, refer to **Table 1**.

The national Consumer Price Index was 103.7 in April 2020, recording an increase of 0.9 percent, from 102.8 recorded in March 2020. The Cities & Towns Index rose by 1.0 percent moving from 102.9 in March to 103.9 in April. The Urban Villages' recorded a rise of 0.9 percent over the two months, moving from 102.9 in March to 103.9 in April, while the Rural Villages moved from 102.3 in March to 103.0 in April, registering an increase of 0.8 percent. Refer to **Table 1**.

Group indices were generally moving at a steady pace between March 2020 and April 2020, recording changes of less than 1.0 percent, with the exception of Housing, Water, Electricity, Gas & Other Fuels index group which registered an increase of 4.6 percent. Refer to **Table 2**.

The Housing, Water, Electricity, Gas & Other Fuels index group moved from 101.9 to 106.5, registering a rise of 4.6 percent between March and April. This was due to an increase in the constituent section index of Electricity, Gas & Other Fuels, which rose by 20.1 percent. The rise in this section index was largely due to the hike in the electricity tariffs by 22 percent for domestic consumers which were effected on the 1st April 2020. Refer to **Table 2**.

The Miscellaneous Goods & Services group index rose by 0.7 percent, from 105.4 in March 2020 to 106.1 in April 2020. This was attributed to a general increase in the constituent section indices, notably; Personal Care (1.7 percent) and Taxes, Licenses & Fees (1.4 percent). Refer to **Table 2**.

The Health group index rose by 0.4 percent, from 101.1 in March 2020 to 101.5 in April 2020. This was attributed to a general increase in the constituent section indices, notably; Hospital Services (0.8 percent). Refer to **Table 2**.

The Food & Non-Alcoholic Beverages group index rose by 0.2 percent, from 104. 4 to 104.6 over the two months under review. This was attributed to a general increase in the constituent section indices, notably; Fruits (3.7 percent), vegetables (3.4), oil & Fats (2.1) Meat (1.2 percent) and Milk, Cheese & Milk Products (1.1 percent). Refer to **Table 2**.

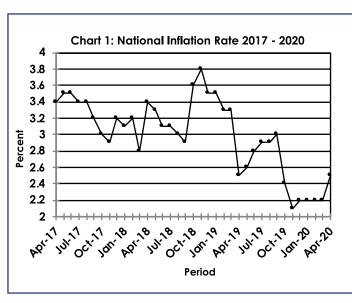
The All-Tradeables index was 103.1 in April 2020, registering a growth of 0.2 percent from 102.9 recorded in March 2020. The Non-Tradeables Index realized a rise of 2.0 percent, moving from 102.6 in March to 104.6 in April. The Domestic Tradeables Index rose by 0.4 percent, advancing from 105.6 in March to 106.0 in April 2020. The Imported Tradeables Index was 102.0 in April, recording an increase of 0.1 percent from 102.1 in March. Refer to **Table 3**.

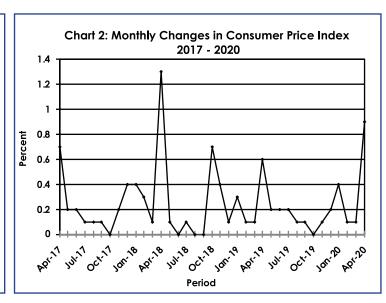
All-Tradeables inflation rate was 2.0 percent in April 2020, recording a drop of 0.1 of a percentage point from 2.1 percent recorded in March 2020. The Non-Tradeables inflation recorded an increase of 2.0 percentage points, moving from 2.3 percent to 3.3 percent during the period under review. The Imported Tradeables inflation was 1.2 percent, a drop of 0.2 of a percentage point from 1.4 recorded in March. The Domestic Tradeables inflation rate moved from 4.2 percent in March to 4.1 percent in April registering a drop of 0.1 of a percentage point. Refer to **Table 3**.

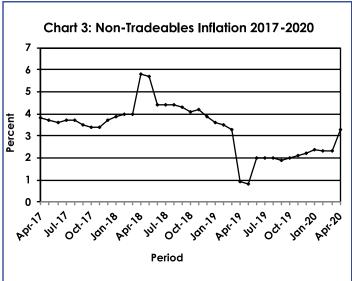
### **SECTION 3: CORE INFLATION**

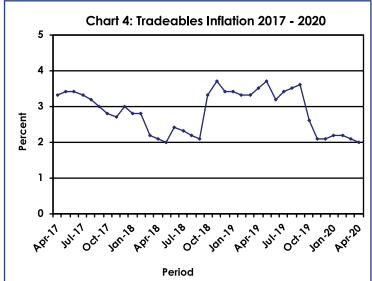
The Trimmed Mean Core Inflation rate in April 2020 was 1.8 percent, a drop of 0.1 of a percentage point from March 2020 rate of 1.9 percent. The April 2020 Core Inflation rate by exclusion registered a decrease of 0.1 of a percentage point, moving from 2.7 percent in March to 2.6 percent in April 202. Refer to **Table 4**.

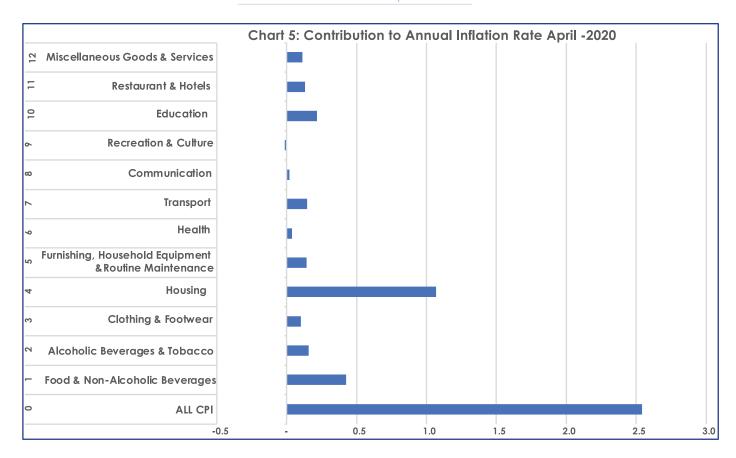
## **CHARTS**











Dr. Burton S. Mguni Statistician General 15<sup>th</sup> May 2020

# **TABLES**

TABLE 1 : CONSUMER PRICE INDEX (DECEMBER 2018 =100.0)

				(52)		2010 - 10	•.•,						
		Food	Alcohol and Tobacco	Clothing and Footwear	Housing	Furniture etc	Health	Transport	Communi- cation	Rec. & Culture	Education	Rest. & Hotels	Miscella- neous
Weight	s	13.55	4.34	5.95	17.45	4.85	3.38	23.43	6.94	2.82	4.60	3.66	9.01
2017	Jan	100.0	96.8	96.5	91.5	96.1	97.6	86.8	108.9	96.8	94.7	94.2	91.5
	Feb	100.4	97.4	96.8	91.6	96.5	97.7	87.0	108.9	97.2	94.7	94.4	91.7
	Mar	100.9	97.9	97.0	92.0	96.9	97.8	87.9	108.9	97.4	94.7	94.8	92.0
	Apr	101.1	98.5	97.2	95.5	97.0	97.9	0.88	108.9	98.1	94.7	95.0	92.2
	May	101.5	99.0	97.4	95.5	97.2	98.0	88.1	109.0	98.1	94.7	95.3	92.3
	Jun	101.4	99.0	97.5	95.7	97.4	98.6	88.3	109.2	98.2	94.8	95.5	93.2
	Jul	101.6	99.1	97.9	95.8	97.6	98.7	88.3	109.2	98.3	94.8	95.9	93.2
	Aug	101.5	99.2	98.1	95.8	97.7	98.8	88.5	109.2	98.4	94.8	96.2	93.2
	Sept	100.9	99.3	98.3	96.4	97.9	98.8	88.6	110.3	98.3	94.8	96.4	93.3
	Oct	100.8	99.1	98.4	96.3	98.0	98.8	88.6	110.3	98.4	94.9	96.6	93.4
	Nov	100.7	99.0	98.4	96.3	98.1	98.9	89.4	110.3	98.3	94.9	96.6	93.4
	Dec	100.2	99.1	98.5	96.7	97.9	98.9	90.9	110.1	98.5	94.9	97.1	93.9
2018	Jan	100.4	99.1	98.6	96.8	98.1	99.0	91.2	110.2	98.7	99.9	97.4	94.2
	Feb	100.8	99.2	98.7	96.9	98.4	99.1	91.5	110.2	99.0	99.9	97.8	94.7
	Mar	100.9	99.3	98.9	97.2	99.0	99.2	91.4	110.3	99.4	100.0	97.9	94.9
	Apr	101.0	99.2	99.3	98.6	99.1	99.2	93.5	110.3	100.0	100.0	98.4	100.0
	May	100.9	99.5	99.5	98.7	99.2	99.4	93.6	110.3	100.1	100.0	98.6	100.1
	Jun	100.7	99.7	99.6	99.2	99.5	99.4	95.0	100.2	100.1	100.0	99.0	100.2
	Jul	100.5	99.9	99.9	99.2	99.6	99.5	95.1	100.2	100.2	100.0	99.4	100.3
	Aug	100.2	100.1	99.8	99.3	99.6	99.5	95.2	100.2	100.2	100.0	99.5	100.3
	Sept	99.9	100.1	99.8	99.7	100.0	99.7	95.0	100.2	100.2	100.0	99.7	100.2
	Oct	99.8	100.2	99.7	99.7	100.0	99.8	98.4	100.2	99.8	100.0	99.7	99.8
	Nov	99.9	100.2	99.8	99.9	100.1	99.9	99.8	100.2	99.9	100.0	99.7	99.8
	Dec	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2019	Jan	100.4	99.8	100.2	100.1	100.2	100.1	100.3	100.0	100.1	103.0	100.0	100.3
	Feb	100.6	99.6	100.2	100.1	100.4	100.2	100.6	100.0	100.1	103.1	100.1	100.6
	Mar	101.0	99.9	100.3	100.3	100.6	100.3	100.5	100.0	100.4	103.1	100.6	100.4
	Apr	101.4	101.2	100.4	100.3	100.7	100.3	100.7	100.0	100.2	103.1	100.8	104.9
	May	102.0	102.4	100.5	100.4	100.8	100.4	100.8	100.0	100.2	103.1	101.1	104.9
	Jun	102.0	103.2	100.7	100.9	101.6	100.5	100.6	100.1	100.2	103.1	101.3	105.0
	Jul	102.1	103.5	100.8	101.0	101.8	100.6	100.9	100.1	100.3	103.1	101.6	105.4
	Aug	102.1	103.6	101.0	101.1	101.8	100.7	101.0	100.2	100.3	103.1	101.8	105.3
	Sept	102.4	103.8	101.0	101.2	102.1	100.6	100.9	100.2	100.3	103.1	102.1	105.3
	Oct	102.3	104.1	101.1	101.3	102.2	100.7	101.0	100.3	100.0	103.1	102.3	105.2
	Nov	102.5	104.2	101.3	101.3	102.4	100.8	101.2	100.4	100.0	103.1	102.4	105.3
	Dec	103.0	104.4	101.3	101.5	102.7	100.8	101.3	100.4	99.8	103.1	102.9	105.3
2020	Jan	103.7	104.5	101.7	101.6	103.0	101.0	101.3	100.4	99.8	107.9	103.7	105.5
-	Feb	104.2	104.6	101.8	101.7	103.3	101.0	101.4	100.3	100.0	108.0	103.9	105.6
	Mar Apr	104.4	104.7 104.8	102.0	101.9	103.5	101.1	101.3	100.3	100.0	108.0	104.2 104.4	105.4
	Λhi	104.0	104.0	102.1	106.3	103.7	101.5	101.3	100.3	77./	100.0	104.4	106.1
% Chai	nge on												
Last mo	onth	0.2	0.1	0.1	4.6	0.2	0.4	0.0	0.0	(0.3)	0.0	0.2	0.7

TABLE 1: CONSUMER PRICE INDEX (Cont.)

		AII	Madianal		Tayron 0	Hulo aux	Downs		al Inflation	
		All Items Index	National Inflation Rate	Monthly Change	Towns & Cities Index	Urban Village Index	Rural Villages Index	Towns & Cities	Urban Villages	Ruro
		100.0	%	%	0.38	0.41	0.21	%	%	9
2017	Jan	94.0	3.1	0.4	93.1	94.3	95.1	3.1	2.8	3.
	Feb	94.2	3.4	0.2	93.3	94.6	95.5	3.5	2.9	3.
	Mar	94.7	3.5	0.5	93.8	95.0	95.9	3.6	3.0	4.
	Apr	95.4	3.4	0.7	94.4	95.8	96.5	3.3	3.0	4.
	May	95.6	3.5	0.2	94.6	96.0	96.8	3.4	3.1	4.
	Jun	95.8	3.5	0.2	94.8	96.2	96.8	3.4	3.3	3.
	Jul	95.9	3.4	0.1	95.0	96.3	97.0	3.5	3.2	3
	Aug	96.0	3.4	0.1	95.0	96.4	97.1	3.4	3.2	3
	Sept	96.1	3.2	0.1	95.2	96.3	97.2	3.2	3.0	3
	Oct	96.1	3.0	0.0	95.2	96.2	97.3	3.0	2.7	3
	Nov	96.2	2.9	0.2	95.5	96.4	97.4	3.1	2.6	3
	Dec	96.6	3.2	0.4	96.0	96.6	97.6	3.6	2.9	3
018	Jan	97.0	3.1	0.4	96.4	97.0	97.8	3.6	2.9	2
0.0	Feb	97.2	3.2	0.3	96.7	97.3	98.1	3.6	2.9	2
	Mar	97.4	2.8	0.1	96.8	97.5	98.1	3.3	2.6	2
	Apr	98.7	3.4	1.3	98.4	98.7	99.1	4.2	3.1	2
	May	98.7	3.3	0.1	98.5	98.8	99.1	4.1	3.0	2
	Jun	98.8	3.1	0.0	98.6	98.8	99.0	4.0	2.7	2
	Jul	98.8	3.1	0.1	98.7	98.9	99.1	3.9	2.7	2
	Aug	98.8 98.9	3.0	(0.0) 0.0	98.6 98.7	98.9	99.1 99.1	3.8	2.6	2
	Sept		2.9			98.9		3.6	2.7	2
	Oct	99.5	3.6	0.7	99.5	99.5	99.7	4.4	3.4	2
	Nov	99.9	3.8	0.4	99.9	99.8	100.0	4.7	3.6	2
	Dec	100.0	3.5	0.1	100.0	100.0	100.0	4.2	3.5	2
019	Jan	100.3	3.5	0.3	100.4	100.3	100.2	4.1	3.4	2
	Feb	100.5	3.3	0.1	100.6	100.5	100.3	4.0	3.2	2
	Mar	100.6	3.3	0.1	100.6	100.6	100.3	3.9	3.2	2
	Apr	101.2	2.5	0.6	101.2	101.3	100.8	2.9	2.6	1
	May	101.3	2.6	0.2	101.4	101.5	100.9	2.9	2.7	1
	Jun	101.5	2.8	0.2	101.6	101.6	101.1	3.0	2.9	2
	Jul	101.7	2.9	0.2	101.8	101.8	101.2	3.1	3.0	2
	Aug	101.7	2.9	0.1	101.8	101.9	101.3	3.2	3.1	2
	Sept	101.8	3.0	0.1	101.9	102.0	101.4	3.2	3.1	2
	Oct	101.9	2.4	0.0	102.0	102.0	101.4	2.5	2.5	1
	Nov	102.0	2.1	0.1	102.1	102.1	101.5	2.2	2.3	1
	Dec	102.2	2.2	0.2	102.3	102.3	101.6	2.3	2.3	1
020	Jan	102.6	2.2	0.4	102.8	102.6	102.0	2.4	2.3	1
	Feb	102.7	2.2	0.1	102.9	102.8	102.1	2.3	2.3	1
	Mar	102.8	2.2	0.1	102.9	102.9	102.3	2.3	2.3	2
	Apr	103.7	2.5	0.9	103.9	103.9	103.0	2.7	2.6	2
6 Change	on									

TABLE 2: NATIONAL CONSUMER PRICE GROUP AND SECTION INDICES (DECEMBER 2018=100.0)

					9	ogo	go	Perc	entage (	Change	on:
	Group Section	Weights	This month Apr 2020	Last month Mar 2020	3 months ago Jan 2020	6 months ag Oct 2019	12 months ago Apr 2019	Last month	3 months ago	6 months ago	12 months ago
1	Food & Non-Alcoholic Beverages	13.55	104.6	104.4	103.7	102.3	101.4	0.2	0.9	2.2	3.1
1.1	Bread & Cereals	4.26	105.1	104.9	104.7	103.5	101.0	0.2	0.4	1.5	4.0
1.2	Meat (Fresh, Chilled & Frozen)	2.36	110.3	109.0	107.4	102.8	101.8	1.2	2.7	7.3	8.3
1.3	Fish (Fresh, Chilled & Frozen)	0.18	104.2	105.4	105.3	103.9	101.5	(1.2)	(1.0)	0.3	2.6
1.4	Milk, Cheese & Milk Products	0.98	103.5	102.4	101.7	102.0	101.0	1.1	1.7	1.5	2.4
1.5	Oils & Fats	0.92	98.9	101.0	100.8	100.7	100.2	(2.1)	(1.8)	(1.8)	(1.3)
1.6	Fruits	0.78	110.3	106.4	103.9	100.8	103.0	3.7	6.2	9.5	7.1
1.7	Vegetables	1.08	100.2	103.7	102.1	102.9	103.2	(3.4)	(1.9)	(2.6)	(2.9)
1.8	Sugar, Jam, Honey, Chocolate & Confectionery	1.11	98.8	98.8	98.6	98.4	99.7	0.0	0.2	0.4	(0.9)
1.9	Food Not Elsewhere Classified	0.54	104.8	103.9	103.3	103.7	102.7	0.8	1.4	1.0	2.0
1.10	Coffee, Tea & Cocoa	0.73	102.5	102.4	102.2	101.7	101.4	0.1	0.4	0.9	1.1
1.11	Mineral Waters, Soft Drinks, Fruits & Vegetables Juices	0.62	103.0	103.1	102.7	102.3	101.9	(0.1)	0.3	0.7	1.1
2	Alcoholic Beverages &Tobacco	4.34	104.8	104.7	104.5	104.1	101.2	0.1	0.3	0.6	3.5
2.1	Alcoholic Beverages	3.51	104.8	104.7	104.5	104.2	101.1	0.1	0.2	0.6	3.6
2.2	Tobacco	0.82	104.8	104.7	104.4	103.9	101.9	0.1	0.4	0.9	2.9
3	Clothing & Footwear	5.95	102.1	102.0	101.7	101.1	100.4	0.1	0.4	0.9	1.7
3.1	Clothing	2.60	102.6	102.5	102.2	101.6	100.6	0.1	0.4	0.9	2.0
3.2	Other Articles of Clothing	0.72	101.8	101.8	101.3	100.9	100.4	0.0	0.6	0.9	1.4
3.3	Cleaning, Repair & Hire	0.61	103.0	103.0	102.9	101.2	100.3	0.0	0.1	1.8	2.7
3.4	Footwear	2.03	101.3	101.2	100.8	100.6	100.2	0.1	0.5	0.7	1.1
4	Housing, Water, Electricity, Gas & Other Fuels	17.45	106.5	101.9	101.6	101.3	100.3	4.6	4.8	5.2	6.1
4.1	Rent Paid by Tenants	7.78	103.0	103.0	102.5	101.9	100.4	0.0	0.5	1.1	2.7
4.2	Materials for Maintenance & Repair of Dwellings	3.83	102.9	102.2	102.1	101.9	100.9	0.7	0.8	1.0	2.0
4.3	Water Supply & Miscellaneous Services	1.96	100.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0
4.4	Electricity, Gas & Other Fuels	3.89	120.2	100.1	100.1	100.0	99.9	20.1	20.1	20.1	20.3
5	Furnishing, H/H Equipment & Routine Maintenance	4.85	103.7	103.5	103.0	102.2	100.7	0.2	0.7	1.4	2.9
5.1	Furniture & Furnishing	1.35	103.2	103.1	102.2	101.6	100.4	0.0	0.9	1.5	2.8
5.2	Carpets & Other Floor Coverings	0.27	102.9	102.2	101.8	101.0	100.2	0.7	1.1	1.8	2.7
5.3	Household Textiles	0.29	102.7	102.6	102.5	101.5	100.1	0.1	0.2	1.2	2.6
5.4	Household Appliances	0.72	100.8	100.7	100.3	99.9	100.1	0.0	0.5	0.9	0.6
5.5	Glassware, Tableware & Household Utensils	0.23	103.5	103.5	103.1	102.5	100.5	0.1	0.4	1.0	3.0
5.6	Small Tools, Miscellaneous Accessories	0.04	103.2	103.0	102.9	102.5	101.3	0.2	0.3	0.7	1.8
5.7	Goods & Services for Household Maintenance	1.95	105.4	105.1	104.7	103.8	101.4	0.3	0.6	1.6	4.0
6	Health	3.38	101.5	101.1	101.0	100.7	100.3	0.4	0.5	0.8	1.2
6.1	Medical Products, Applications & Equipments	0.98	102.7	102.6	102.4	101.6	101.1	0.1	0.3	1.0	1.6
6.2	Out-Patient Services	0.93	101.4	101.4	101.0	100.9	100.1	0.1	0.5	0.6	1.4
6.3	Hospital Services	1.47	100.8	100.0	100.0	100.0	100.0	0.8	0.8	0.8	0.8

TABLE 2: NATIONAL CONSUMER PRICE GROUP AND SECTION INDICES (DECEMBER 2018=100.0) (Cont.)

				_	o Br	ago	ago	Percentage Change on:				
	Group Section	Weights	This month Apr 2020	Last month Mar 2020	3 months ago Jan 2020	6 months o	12 months c Apr 2019	Last month	3 months ago	6 months ago	12 months	
7	Transport	23.43	101.3	101.3	101.3	101.0	100.7	0.0	0.0	0.3	0.6	
7.1	Purchase of Vehicles	5.74	104.2	104.2	104.2	103.2	102.4	0.0	(0.1)	0.9	1.7	
7.2	Operation of Personal Transport	12.56	100.5	100.5	100.4	100.3	100.1	0.0	0.1	0.2	0.4	
7.3	Transport Services	5.13	100.1	100.1	100.1	100.1	100.1	0.0	0.0	0.0	0.0	
8	Communication	6.94	100.3	100.3	100.4	100.3	100.0	0.0	(0.1)	(0.1)	0.3	
8.1	Postal Services	0.21	100.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	
8.2	Telephone & Telefax Equipment	1.13	101.7	101.7	102.2	102.1	100.0	0.0	(0.5)	(0.3)	1.7	
8.3	Telephone & Telefax Services	5.60	100.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	
9	Recreation & Culture	2.82	99.7	100.0	99.8	100.0	100.2	(0.3)	(0.1)	(0.3)	(0.4)	
9.1	Audio Visual, Photographic & Information Processing Equipment	2.10	99.5	99.5	99.2	99.7	100.1	0.0	0.3	(0.1)	(0.6)	
9.2	Other Recreational Items & Equipments	0.30	101.6	102.0	101.6	101.2	100.6	(0.4)	(0.0)	0.4	1.0	
9.3	Recreational & Cultural Services	0.31	97.4	99.9	99.9	99.8	100.0	(2.5)	(2.5)	(2.4)	(2.6)	
9.4	Newspapers, Books & Stationary	0.11	105.5	105.2	105.1	105.0	100.2	0.3	0.4	0.5	5.3	
10	Education	4.60	108.0	108.0	107.9	103.1	103.1	0.0	0.0	4.7	4.7	
10.1	Pre-Primary & Primary Education	1.89	108.3	108.3	108.3	103.4	103.3	0.0	0.0	4.8	4.8	
10.2	Secondary & Tertiary Education	2.70	107.7	107.7	107.7	103.0	102.9	0.0	0.0	4.6	4.7	
11	Restaurants & Hotels	3.66	104.4	104.2	103.7	102.3	100.8	0.2	0.7	2.1	3.6	
11.1	Restaurants, Cafes & the Like	3.02	104.5	104.3	103.7	102.2	100.8	0.3	0.8	2.3	3.7	
11.2	Accommodation Services	0.64	103.9	103.9	103.4	102.7	101.0	0.0	0.4	1.2	2.9	
12	Miscellaneous Goods & Services	9.01	106.1	105.4	105.5	105.2	104.9	0.7	0.6	0.9	1.2	
12.1	Personal Care	2.33	103.2	101.5	101.2	100.9	100.9	1.7	2.0	2.3	2.3	
12.2	Personal Effects Not Elsewhere Classified	0.22	100.7	100.7	100.4	99.9	100.2	0.0	0.3	0.8	0.6	
12.3	Social Protection	0.13	108.2	108.2	108.2	101.6	101.6	0.0	0.0	6.6	6.6	
12.4	Insurance	3.62	110.8	110.8	111.5	111.8	111.4	0.0	(0.6)	(0.9)	(0.5)	
12.5	Financial Services	1.09	101.5	101.5	101.2	101.0	100.3	0.0	0.3	0.5	1.2	
12.6	Taxes, Licences & Fees	1.61	103.7	102.2	101.6	100.7	100.1	1.4	2.1	3.0	3.6	
	All-Items Index	100.0	103.7	102.8	102.6	101.9	101.2	0.9	1.1	1.8	2.5	

TABLE 3: CONSUMER PRICE INDEX BY TRADEABILITY (DECEMBER 2018 = 100.0)

		All Ite	ms	Non-Ti	radable	Domestic	Tradable	Imported	d Tradable	All Tro	adable
		Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation
Weights		100.00		42.29		15.46		42.26		57.71	
2017	Jan	94.0	3.1	93.1	4.3	98.8	4.3	92.6	1.7	94.5	2.6
	Feb	94.2	3.4	93.2	4.3	99.3	4.3	92.9	2.4	94.8	3.1
	Mar	94.7	3.5	93.4	3.9	99.7	4.6	93.6	2.9	95.4	3.5
	Apr	95.4	3.4	94.9	3.8	100.0	4.3	93.8	2.7	95.7	3.3
	Мау	95.6	3.5	95.0	3.7	100.2	4.3	94.0	2.9	95.9	3.4
	Jun	95.8	3.5	95.4	3.6	100.1	4.2	94.2	2.9	96.0	3.4
	Jul	95.9	3.4	95.6	3.7	99.9	3.8	94.4	3.0	96.1	3.3
	Aug	96.0	3.4	95.6	3.7	99.8	3.4	94.6	3.1	96.2	3.2
	Sept	96.1	3.2	95.9	3.5	99.2	2.6	94.7	3.1	96.1	3.0
	Oct	96.1	3.0	96.0	3.4	99.1	2.2	94.8	3.0	96.1	2.8
	Nov	96.2	2.9	95.9	3.4	98.9	1.6	95.2	3.1	96.4	2.7
	Dec	96.6	3.2	96.3	3.7	98.9	1.3	95.8	3.7	96.8	3.0
2018	Jan	97.0	3.1	96.7	3.9	99.3	0.5	96.1	3.8	97.1	2.8
	Feb	97.2	3.2	96.9	4.0	99.6	0.3	96.4	3.8	97.4	2.8
	Mar	97.4	2.8	97.1	4.0	99.8	0.1	96.5	3.1	97.5	2.2
	Apr	98.7	3.4	100.4	5.8	99.9	-0.1	96.7	3.1	97.7	2.1
	Мау	98.7	3.3	100.5	5.7	100.0	-0.2	96.8	3.0	97.7	2.0
	Jun	98.8	3.1	99.7	4.4	99.9	-0.2	97.5	3.6	98.2	2.4
	Jul	98.8	3.1	99.8	4.4	99.9	-0.1	97.6	3.4	98.3	2.3
	Aug	98.8	3.0	99.8	4.4	99.8	0.0	97.6	3.2	98.3	2.2
	Sept	98.9	2.9	100.0	4.3	99.8	0.6	97.5	2.9	98.2	2.1
	Oct	99.5	3.6	99.9	4.1	99.7	0.7	99.1	4.5	99.3	3.3
	Nov	99.9	3.8	99.9	4.2	99.9	1.0	99.9	4.9	99.9	3.7
	Dec	100.0	3.5	100.0	3.9	100.0	1.1	100.0	4.4	100.0	3.4
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
	Sept	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
2020	Jan	102.6	2.2	102.5	2.4	105.0	4.2	101.8	1.5	102.6	2.2
	Feb	102.7	2.2	102.6	2.3	105.4	4.4	102.0	1.4	102.8	2.2
	Mar	102.8	2.2	102.6	2.3	105.6	4.2	102.0	1.4	102.9	2.1
	Apr	103.7	2.5	104.6	3.3	106.0	4.1	102.1	1.2	103.1	2.0
<b></b>	_										
% Chang	ge on last	0.9		2.0		0.4		0.1		0.2	

TABLE 4: CORE INFLATION RATES BY EXCLUSION AND TRIMMED MEAN

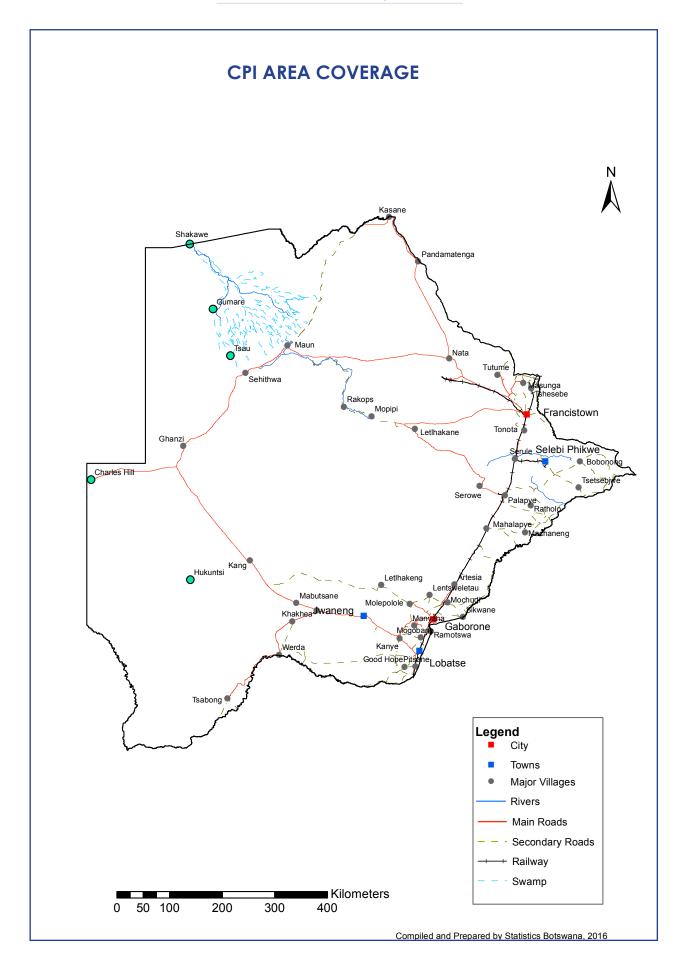
		Consumer Price Index (Trimmed Mean) (September	Core Monthly Inflation Rate (Trimmed Mean)	Consumer Price Index (Excluding Administered Prices)	Core Monthly Inflation (Excluding Administered Prices)
Year	Month	2016 = 100)	(percentage)	(September 2016 = 100)	(percentage)
2017					
	Jan	93.5	2.7	96.6	3.9
	Feb	93.7	2.9	96.9	3.9
	Mar	94.2	3.1	97.2	3.9
	Apr	94.4	3.1	97.5	3.3
	May	94.5	3.1	97.7	3.4
	Jun	94.8	2.9	97.9	3.3
	Jul	94.9	2.9	98.1	3.3
	Aug	95.0	2.9	98.2	3.3
	Sept	95.1	2.7	98.2	3.0
	Oct	95.2	2.6	98.2	2.8
	Nov	95.4	2.5	98.2	2.4
	Dec	95.8	2.9	98.2	2.3
2018					
	Jan 	96.1	2.8	98.7	2.2
	Feb	96.4	2.9	99.0	2.2
	Mar	96.6	2.6	99.2	2.0
	Apr	97.6	3.1	99.4	1.9
	May	97.7	3.0	99.5	1.8
	Jun	98.6	3.2	99.6	1.8
	Jul	98.7	3.1	99.7	1.7
	Aug	98.7	3.0	99.7	1.6
	Sept	98.8	2.9	99.8	1.6
	Oct	99.5	3.7	99.8	1.6
	Nov	99.6	3.8	99.9	1.7
	Dec	100.0	3.6	100.0	1.8
2019					
	Jan	100.4	3.6	100.4	1.8
	Feb	100.5	3.5	100.6	1.6
	Mar	100.6	3.5	100.8	1.6
	Apr	101.3	2.6	101.0	1.7
	May	101.5	2.7	101.4	1.9
	Jun	101.2	2.5	101.6	2.0
	Jul	101.5	2.6	101.8	2.1
	Aug	101.5	2.7	101.9	2.2
	Sept	101.6	2.7	102.1	2.3
	Oct	101.6	2.1	102.1	2.3
	Nov	101.7	1.7	102.3	2.4
	Dec	101.8	1.8	102.5	2.5
2020	1	•••	<u>.</u> -		
	Jan	102.2	1.9	103.2	2.7
	Feb	102.4	1.9	103.4	2.7
	Mar	102.5	1.9	103.5	2.7
	Apr	102.7	1.8	103.8	2.6

Table 5: Contributions of Groups to Annual Inflation Rate

		cc	ONTRIBUTIONS	
Group Code	Group Name	Feb-20	Mar-20	Apr-20
0	All Items CPI Rate	2.2	2.2	2.5
1	Food & Non-Alcoholic Beverages	0.5	0.5	0.4
2	Alcoholic Beverages &Tobacco	0.2	0.2	0.2
3	Clothing & Footwear	0.1	0.1	0.1
4	Housing, Water, Electricity, Gas & Other Fuels	0.3	0.3	1.1
5	Furnishing, Household Equipment & Routine Maintenance	0.1	0.1	0.1
6	Health	0.0	0.0	0.0
7	Transport	0.2	0.2	0.1
8	Communication	0.0	0.0	0.0
9	Recreation & Culture	0.0	-0.0	-0.0
10	Education	0.2	0.2	0.2
11	Restaurants & Hotels	0.1	0.1	0.1
12	Miscellaneous Goods & Services	0.5	0.5	0.1

Table 6: Average Annual Inflation ( December 2018=100)

	Group	Weights	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Food & Non-Alcoholic Beverages	13.55	14.7	3.6	6.9	8.0	5.4	3.0	1.3	2.7	3.4	(0.5)	1.4
2	Alcoholic Beverages & Tobacco	4.34	35.2	7.1	8.4	7.6	10.3	9.0	6.1	2.5	4.5	1.1	2.8
3	Clothing & Footwear	5.95	8.4	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	4.8	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	11.9	9.4	9.0	7.3	4.9	5.0	6.1	3.0	3.3	2.1	2.1
6	Health	3.38	5.5	2.7	4.5	5.9	5.5	8.3	6.3	3.0	2.4	1.1	1.0
7	Transport	23.43	(8.4)	12.1	13.2	10.8	7.3	1.2	(5.1)	(2.7)	1.6	7.5	6.2
8	Communication	6.94	(0.3)	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	5.0	6.0	8.3	5.8	4.5	4.2	5.7	3.0	2.2	1.8	0.4
10	Education	4.60	3.9	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	18.8	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	3.8	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	8.2	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 -Tradeables refers to the total of Domestic and Imported Tradeables.

**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.

### **APPENDIX A**

### Coronavirus (COVID-19) Pandemic and Consumer Price Index (CPI) compilation

Due to the COVID-19 pandemic restrictions, the April 2020 CPI compilation was guided by the following guidelines from International Monetary Fund (MF) on the CPI compilation during the COVID-19 pandemic period. These are

- 1. Stability of the CPI weights e.g. weights should not be changed due to COVID-19
- 2. All temporarily missing prices must be imputed
  - Imputation procedures should be in accordance with the CPI Manual, Concepts and Methods.
- 3. Carry forward; it's one of the imputation methods which can be used but is highly discouraged as it makes the index go down. However it can be used if there are valid reasons that prices will be the same once the situation return to normal

Botswana has followed the above guidelines in compiling its April 2020 CPI.

The following imputations were made to missing prices.

- Missing item prices within the section indices were imputed with the geometric mean of the price relatives (variation) of the available actual prices.
- Missing section index was imputed with the geometric mean of the price relatives of the available actual item prices of the other section index within the same group. E.g. Alcoholic Beverages section index was imputed with the geometric mean of price relative (variation) of the overall available actual item prices of Tobacco section index because they belong to the same group of Alcoholic Beverages and Tobacco. Please note that there was a ban on the sale of tobacco but retailers contacted provided Statistics Botswana with prices.

It should be noted that imputation makes use of the best available observed prices data to provide an unbiased estimate of price movement. Again the imputation methods are self-correcting implying that once observed prices becomes available, the index retains its consistency and reliability.

# **Imputation of the Section Indices**

The Tables below shows the sections that were mostly affected by COVID-19 Lock down and how they were imputed.

Group Code	Group Name	Section Code	Section Name	Notes
2	Alcoholic Beverages and Tobacco	2	Alcoholic Beverages	Available observed prices of Tobacco was used to impute for Alcoholic Beverages.
3	Clothing and Footwear	31	Clothing	The actual item prices collected under Clothing were used to Impute for the missing entire section
		3	Other Articles of Clothing & Clothing Accessories	Observed prices obtained for Clothing section was used to calculate all sections under Clothing and Footwear. Even though all the clothing outlets were closed during lockdown, few observed prices of items were obtained from supermarkets.
		3	Cleaning, Repair and Hire of Clothing	
		3	Footwear	
5	Furnishing, Household Equipment and Routine Maintenance of the House	5	Household Textiles	Household Textiles was imputed using available observed prices of other sections under Furnishing, household Equipment and Routine Maintenance group
8	Communication	8	Telephone and Telefax Equipment	
				Telephone and Telefax Equipment was imputed using available observed prices of other sections under Communication group
9	Recreation and Culture	9	Audio-visual, Photographic and Information Processing Equipment	Audio-visual, Photographic and Information Processing Equipment was imputed with the available observed prices of other section indices under the Recreation and Culture group,