



Common Market for Eastern and Southern Africa (COMESA)

Macroeconomic Indicators

News Release - Interim HCPI - COMESA in Dec 2011

INSIDE THIS ISSUE

- 1 Interim HCPI - COMESA (Y-O-Y) inflation rate.
- 2 Interim HCPI - COMESA Divisions & COMESA Member States HCPIs year on year inflation rates
- 3 Y-O-Y inflation rates (graphics for Member States, HCPI - COMESA and Divisions).
- 4 Y-O-Y inflation rates for HCPI - COMESA, Divisions and Member States Profiles.
- 5 HCPI explanatory notes

COMESA region year on year inflation stood at 13.0% in Dec 2011

Consumer Prices in the COMESA region as measured by the Interim Harmonized Consumer Price Index (HCPI-COMESA) registered an increase of **13.0%** in **December 2011** compared to their **December 2010** levels. **December 2011** month on month (M-O-M) inflation was **0.4%** whilst it stood at **1.2%** in **November 2011**

Ten divisions of expenditure make up the Interim HCPI-COMESA. These divisions registered the following average changes in prices during the month of **December 2011** compared with **December 2010**;

Food and Non alcoholic Beverages (**+15.4%**); Alcoholic Beverages and Tobacco (**+24.4%**); Clothing and Footwear (**+9.6%**); Housing, Water, Electricity, Gas and Other Fuels (**+17.1%**); Furnishings, Household Equipment and Routine Household Maintenance (**+9.1%**); Transport (**+8.1%**); Communication (**-0.5%**); Recreation and Culture (**+8.3%**); Restaurants and Hotels (**+5.1%**); and Miscellaneous goods and Services (**+8.2%**).

COMESA Member States year on year inflation rates (%) as at Dec 2011

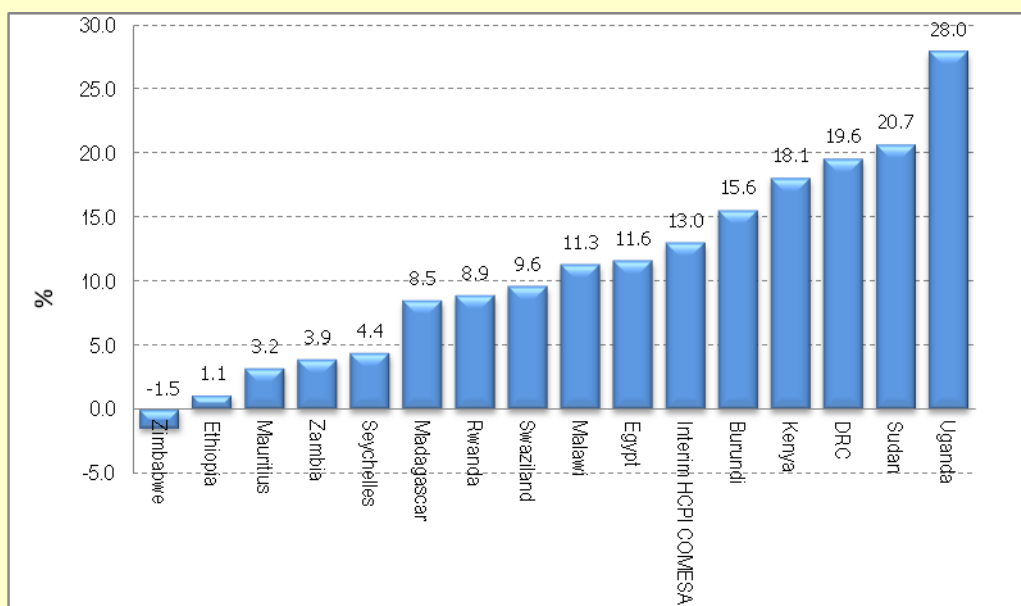
The participating Member States that contribute to the Interim HCPI-COMESA registered the following rates of total inflation in **December 2011** compared to **December 2010**.

Burundi(+15.6%), **Democratic Republic of Congo**(+19.6%), **Egypt**(+11.6%), **Ethiopia**(+1.1%), **Kenya**(+18.1%), **Madagascar**(+8.5%), **Malawi**(+11.3%), **Mauritius**(+3.2%), **Rwanda**(+8.9%), **Seychelles**(+4.4%), **Sudan**(+20.7%), **Swaziland**(+9.6%), **Uganda**(+28.0%), **Zambia**(+3.9%) and **Zimbabwe**(-1.5%).

Uganda recorded the highest year on year inflation rate of **(+28.0%)** in December 2011 whilst Zimbabwe recorded the lowest rate of **(-1.5%)**.

Figure 1:

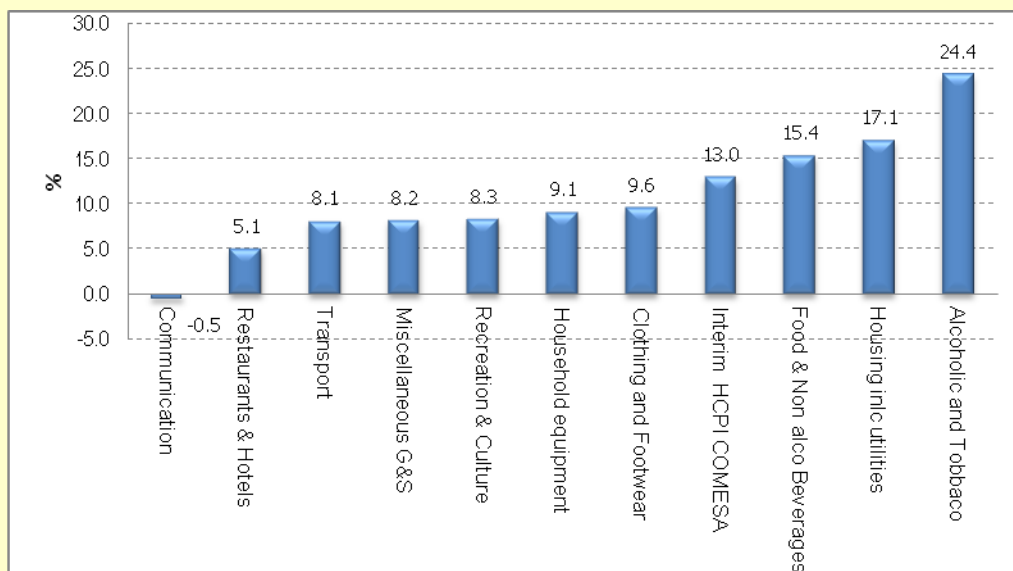
Changes in year on year inflation rates (%) in the COMESA Region and in the individual Member States as at December 2011



Uganda recorded the highest year on year inflation rate of (+28.0%) in December 2011 whilst Zimbabwe recorded the lowest rate of (-1.5%).

Figure 2:

Average Interim HCPI-COMESA and Division year on year inflation rates as at December 2011



*The **Alcoholic and Tobacco** division registered the highest rate of year on year inflation of (+24.4%) whilst the **Communication** division recorded the smallest average change of (-0.5%) in December 2011.*

Table 1:

Inflation rates in (%) for each Member State, measured by Interim HCPIs

Month on month inflation rates in 2011 in the COMESA Member States and Region														
COMESA Member States	Weights	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Dec 2011
		Dec	Jan	Feb	Marc	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec 2010
Burundi		2.9	3.2	-2.2	2.5	1.4	-0.1	0.7	0.4	2.5	1.3	2.1	-0.1	15.6
Comoros														
DRC	1.88	1.1	-0.1	0.8	1.3	1.1	3.1	1.5	3.2	1.3	4.5	-0.3	0.6	19.6
Djibouti														
Egypt	53.08	1.4	0.2	2.5	1.5	0.4	0.1	1.4	1.3	1.1	-0.3	2.0	-0.5	11.6
Eritrea														
Ethiopia	7.20	3.5	-3.9	8.1	-2.1	0.1	-1.5	-2.7	0.8	2.6	-1.5	-2.8	1.4	1.1
Kenya	8.67	0.6	1.1	2.3	3.1	1.0	0.9	1.1	1.4	1.0	1.8	1.6	0.8	18.1
Libya														
Madagascar	2.67	2.6	2.4	0.0	-0.7	-0.7	0.0	0.0	0.3	0.3	1.0	1.1	2.1	8.5
Malawi	1.36	1.3	2.0	-0.4	-1.9	0.5	0.4	1.9	0.6	0.9	1.3	1.1	3.1	11.3
Mauritius	1.86	-1.6	1.6	0.5	0.4	-2.2	-1.0	0.1	0.1	-0.2	0.3	1.4	3.6	3.2
Rwanda	1.10	-0.5	0.9	2.1	2.4	0.3	1.3	0.5	0.1	0.1	0.9	0.5	0.0	8.9
Seychelles		0.1	0.2	0.1	0.2	0.3	0.2	0.5	0.6	0.4	0.2	1.1	0.5	4.4
Sudan	14.16	3.6	0.0	0.4	1.3	1.4	2.6	4.3	4.0	0.5	-1.9	0.4	2.4	20.7
Swaziland	0.74	2.1	0.2	1.2	1.1	0.7	0.2	0.2	0.9	0.1	0.9	0.6	1.0	9.6
Uganda	4.34	0.8	1.1	4.0	3.0	1.0	0.3	2.4	3.5	7.0	1.8	0.3	0.1	28.0
Zambia	1.98	2.0	0.5	1.2	-1.6	-0.2	0.4	1.9	-0.7	0.5	0.4	-0.3	-0.3	3.9
Zimbabwe	0.96	1.2	-0.8	-0.1	-0.5	-0.6	-0.2	0.1	-0.3	-0.2	-0.1	0.3	-0.2	-1.5
Interim HCPI - COMESA	100.00	1.7	0.1	2.4	1.2	0.5	0.5	1.5	1.7	1.3	-0.2	1.2	0.4	13.0

COMESA region year on year inflation stood at 13.0% in December 2011 whilst month on month inflation stood at 0.4%.

The HCPIs are in principle open for revision, in particular when improved data become available; hence they may change after the results are published.

Egypt has the largest country weight of **53.08%** compared with **0.74%** for Swaziland. Seychelles and Burundi have no Household Final Monetary Consumption (HFMC) data from the 2005 International Comparison Program (ICP) round. Their weights will be calculated once new data from the 2011 ICP becomes available.

Table 2:
Inflation rates in (%) for main components of expenditure

Average month on month rates ¹ of inflation in 2011														
COMESA Region	Weights	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Dec 2011
		Dec	Jan	Feb	Marc	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec 2010
Food & Non alcoholic Beverages	531.85	2.3	0.2	4.4	1.9	-0.1	0.1	1.9	2.5	1.3	-0.7	0.3	0.2	15.4
Alcoholic Beverages & Tobacco	27.61	0.6	0.0	0.2	0.5	3.2	5.6	4.9	0.7	0.4	0.1	5.7	0.4	24.4
Clothing & Footwear	73.00	0.8	-1.1	0.3	0.2	1.5	0.5	0.4	1.6	1.9	0.5	2.0	0.7	9.6
Housing, including utilities	102.75	1.3	0.9	0.1	0.5	2.5	0.3	0.0	0.5	2.0	1.6	6.0	0.1	17.1
Household equipment	55.76	1.3	0.3	0.7	0.4	0.9	0.5	1.0	0.5	1.4	0.5	0.9	0.2	9.1
Health														
Transport	68.01	1.9	0.0	1.1	0.5	0.4	0.0	0.7	0.3	1.5	0.2	0.5	0.8	8.1
Communication	24.23	0.9	1.0	-2.6	0.0	0.7	-0.1	3.3	-3.4	-0.6	0.4	0.0	0.1	-0.5
Recreation & Culture	19.23	1.6	-0.5	0.1	0.7	0.2	0.3	0.8	-0.1	3.1	1.3	0.3	0.5	8.3
Education														
Restaurants & Hotels	58.71	1.3	-0.2	0.6	0.0	0.1	0.5	0.3	0.3	1.0	0.2	0.3	0.5	5.1
Miscellaneous Goods & Services	38.86	1.1	0.0	0.7	0.3	0.4	1.0	0.2	1.5	1.6	-0.4	0.8	0.8	8.2
Interim HCPI-COMESA	1000.00	1.7	0.1	2.4	1.2	0.5	0.5	1.5	1.7	1.3	-0.2	1.2	0.4	13.0

Food and Non Alcoholic Beverages Division has the largest expenditure weight of **531.85 parts per 1000** whilst Recreation and Culture has the smallest weight of **19.23 parts per 1000 in the COMESA region.**

¹ The rates of inflation are calculated by reference to the changes in the Interim HCPI numbers that are also published in COMSTAT (<http://comstat.comesa.int>). Note that inflation figures are rounded to one decimal place, using numbers rounded to two decimal places. Results will occasionally differ slightly if calculated using indices at different levels of rounding. The latest y-o-y and m-o-m rates of change are computed using index levels in tables 3, 4 and 5. The same tables are also found in COMSTAT.

Table 3:

Index Levels for the month of December 2010

Interim HCPIs ² – (Dec 2010=100) – COMESA Region & Member States Division Profiles												
December 2010												
COMESA Member States ³	Weights	Food & non alcoholic beverages	Alcoholic Beverages & tobacco	Clothing & footwear	Housing, water, electricity & gas	Furnish& Household equip	Transport	Communication	Recreation & Culture	Restaurants and hotels	Miscellaneous goods and services	Member States All Items Interim HCPI ⁴
Burundi		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Comoros												
DRC	1.88	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Djibouti												
Egypt	53.08	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Eritrea												
Ethiopia	7.20	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Kenya	8.67	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Libya												
Madagascar	2.67	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Malawi	1.36	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Mauritius	1.86	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Rwanda	1.10	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Seychelles		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Sudan	14.16	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Swaziland	0.74	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Uganda	4.34	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Zambia	1.98	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Zimbabwe	0.96	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
INTERIM HCPI - COMESA	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

² The HCPI is interim because it is based on Stage 1 Regulations; the development of Stage 2 Regulations is in progress. See HCPI Guide on (<http://comstat.comesa.int>) for details.

³ Note that some countries have not submitted the indices and hence are not included in the computations.

⁴ Health and Education Divisions are temporarily excluded from Stage 1 of the harmonization program.

Table 4:

Index Levels for the month of November 2011

Interim HCPIs⁵ – (Dec 2010=100) – COMESA Region & Member States Division Profiles												
November 2011												
COMESA Member States⁶	Weights	Food & non alcoholic beverages	Alcoholic Beverages & tobacco	Clothing & footwear	Housing, water, electricity & gas	Furnish & Household equip	Transport	Communication	Recreation & Culture	Restaurants and hotels	Miscellaneous goods and services	Member States All Items Interim HCPI⁷
Burundi		121.68	122.10	130.48	110.44	110.94	114.44	100.00	114.52	116.27	101.36	115.66
Comoros												
DRC	1.88	119.71	109.19	120.69	117.93	112.22	126.70	95.86	107.41	108.66	117.55	118.84
Djibouti												
Egypt	53.08	115.06	136.79	103.81	122.82	104.85	100.94	95.51	106.00	101.54	102.91	112.17
Eritrea												
Ethiopia	7.20	96.98	101.68	103.12	99.88	103.59	100.32	99.79	100.14	101.47	101.46	99.70
Kenya	8.67	120.80	109.57	109.03	116.60	113.16	118.78	105.42	111.17	115.94	110.38	117.08
Libya												
Madagascar	2.67	107.68	104.06	103.87	105.45	103.92	103.99	101.93	101.45	105.10	103.80	106.32
Malawi	1.36	105.01	113.99	104.77	110.02	114.44	110.87	110.61	121.89	103.92	103.25	107.95
Mauritius	1.86	105.19	115.00	103.09	100.43	102.83	103.31	94.80	102.98	85.77	102.13	99.54
Rwanda	1.10	113.56	100.24	106.24	107.72	105.52	108.92	95.99	100.77	104.54	102.56	108.93
Seychelles		106.14	100.39	102.04	106.22	102.22	104.63	100.30	101.08	109.03	103.53	103.88
Sudan	14.16	119.66	111.72	122.08	108.78	120.32	121.22	109.35	114.11	109.20	123.52	117.90
Swaziland	0.74	107.43	105.16	105.13	112.51	104.40	118.86	100.09	102.08	102.50	108.25	108.51
Uganda	4.34	140.12	119.66	138.76	126.44	129.12	119.24	101.75	123.15	115.73	116.41	127.86
Zambia	1.98	102.64	105.50	112.91	107.35	105.31	104.57	100.21	105.31	102.22	103.20	104.21
Zimbabwe	0.96	105.44	104.14	102.84	107.00	103.56	106.84	97.72	101.86	107.24	105.41	98.69
INTERIM HCPI - COMESA	100.00	115.15	123.93	108.84	116.95	108.93	107.20	99.43	107.84	104.56	107.31	112.52

Member States profiles show index levels for the latest months for each and every Member State by division up to All Items Indices. The same applies to the Interim HCPI-COMESA.

⁵ The HCPI is interim because it is based on Stage 1 Regulations; the development of Stage 2 Regulations is in progress. See HCPI Guide on (<http://comstat.comesa.int>) for details.

⁶ Note that some countries have not submitted the indices and hence are not included in the computations.

⁷ Health and Education Divisions are temporarily excluded from Stage 1 of the harmonization program.

Table 5:

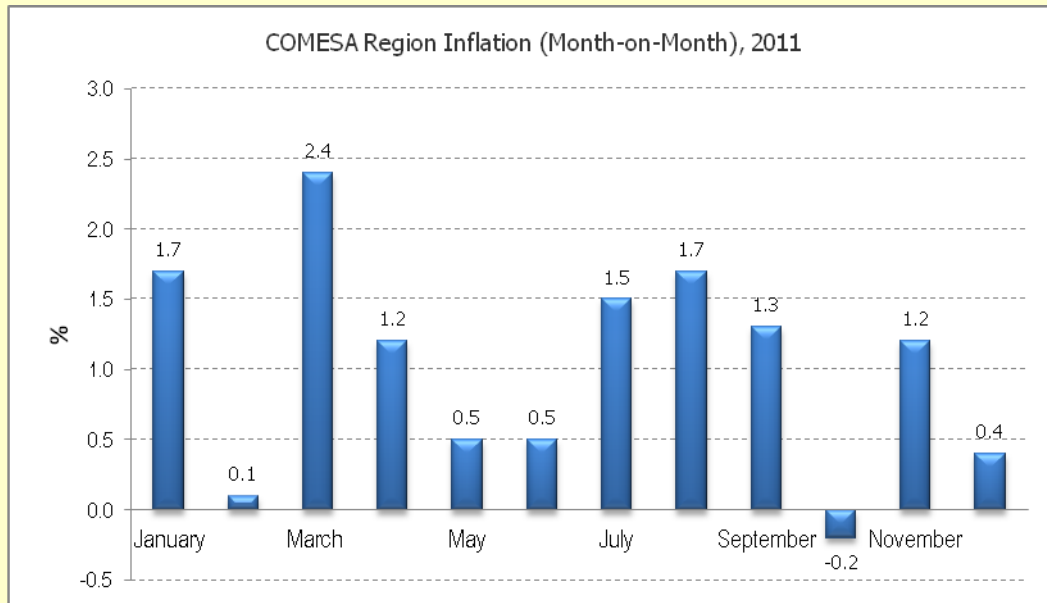
Index Levels for the month of December 2011

Interim HCPIs – (Dec 2010=100) – COMESA Region & Member States Division Profiles												
December 2011												
COMESA Member States	Weights	Food & non alcoholic beverages	Alcoholic Beverages & tobacco	Clothing & footwear	Housing, water, electricity & gas	Furnish& Household equip	Transport	Communication	Recreation & Culture	Restaurants and hotels	Miscellaneous goods and services	Member States All Items Interim HCPI
Burundi		120.39	122.85	131.09	110.84	108.98	119.19	100.00	114.52	117.70	101.87	115.57
Comoros												
DRC	1.88	121.33	109.18	120.64	115.61	108.37	126.67	95.44	107.05	109.75	113.56	119.60
Djibouti												
Egypt	53.08	114.07	136.79	103.81	122.82	104.85	100.94	95.51	106.00	101.54	102.62	111.60
Eritrea												
Ethiopia	7.20	99.15	101.87	103.14	99.64	102.93	104.16	100.30	103.63	102.81	105.41	101.13
Kenya	8.67	121.82	109.64	110.06	117.24	113.68	121.08	105.45	111.57	116.05	111.50	118.06
Libya												
Madagascar	2.67	110.78	105.53	105.36	106.13	104.35	104.67	101.93	101.79	105.75	104.10	108.51
Malawi	1.36	109.74	112.64	106.48	116.64	113.69	113.05	115.27	120.91	103.72	105.07	111.31
Mauritius	1.86	106.90	114.16	103.51	100.43	102.01	103.42	94.51	103.95	98.18	100.48	103.16
Rwanda	1.10	112.79	100.05	106.41	107.20	105.31	109.14	95.97	101.31	104.93	108.75	108.89
Seychelles		106.66	100.40	104.10	106.36	102.70	105.99	100.29	102.15	109.03	106.48	104.43
Sudan	14.16	123.78	114.83	124.37	109.02	121.71	121.29	109.54	114.54	109.80	126.18	120.73
Swaziland	0.74	109.50	105.16	105.13	111.36	104.77	120.01	100.09	103.41	103.31	107.97	109.57
Uganda	4.34	134.92	119.76	143.96	127.17	131.36	126.54	101.75	127.01	116.28	121.61	128.01
Zambia	1.98	101.94	103.76	114.18	107.78	104.33	106.22	99.95	102.95	103.07	104.46	103.88
Zimbabwe	0.96	105.79	107.41	102.65	107.46	103.89	106.81	97.70	101.66	108.46	105.21	98.54
INTERIM HCPI - COMESA	100.00	115.44	124.40	109.58	117.12	109.12	108.10	99.54	108.33	105.08	108.16	112.99

Indices for the COMESA region are obtained by multiplying the country weights by the corresponding country indices and dividing the **total product** by the sum of weights (100) [column wise]. This applies to all Divisions up to all Items Level (Interim HCPI-COMESA).

Figure 3:

Average Interim HCPI-COMESA month on month inflation, 2011



The COMESA region month on month inflation rate ranged from -0.2% to 2.4% in 2011. Month on month inflation peaked at 2.4% in March 2011 and slowed down to -0.2% in October 2011.

In December 2011 month on month inflation in the COMESA region stood at **0.4%**, down from **1.2%** in November 2011. The average changes in month on month inflation in the COMESA region as from January to December 2011 are shown in figure 3 above.

Table 6:

Interim HCPI-COMESA; Time Series data (December 2010 – latest period);

Year	Interim HCPI-COMESA (December 2010=100)	COMESA region; month on month inflation rate	COMESA region; year on year inflation rate
Dec 2010	100.00		
Annual Average; HCPI- COMESA; 2011	107.71		
2011 January	101.75	1.7	
February	101.85	0.1	
March	104.31	2.4	
April	105.57	1.2	
May	106.11	0.5	
June	106.60	0.5	
July	108.17	1.5	
August	109.99	1.7	
September	111.41	1.3	
October	111.23	-0.2	
November	112.52	1.2	
December	112.99	0.4	13.0
2012 January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

The annual average HCPI-COMESA stood at 107.71 points in 2011. The same index stood at 100.00 points in December 2010 and increased to 112.99 in December 2011. This represents a year on year increase of 13.0%.

Measures of inflation

The *annual rate* measures the price change between a particular month and the same month one year earlier. This measure is responsive to recent changes in price levels but it can also be influenced by one-off effects in either of the two end months.

It is intended to publish annual inflation rates and 12 month average inflation rates when the first 12 and 24 months' HCPIs, respectively, are available.

The *monthly rate* measures the price change between the two latest months. Although up to date, it can be affected by seasonal and other short term effects.

HCPIs designed for international comparison

The Harmonised Consumer Price Indices (HCPIs) are produced by the COMESA Secretariat in collaboration with the Member States with the aim of measuring inflation in similar ways and can therefore be compared directly with each other without the need for making special adjustments. The HCPIs benefit from incorporating many of the international developments in consumer price index theory and methods in recent years. Further improvements to the HCPI methods are expected in the coming years.

The HCPIs may differ from national consumer price indices which are sometimes designed for different purposes. The HCPIs are designed as a macroeconomic measure of monetary inflation, whilst some national CPIs have other purposes such as cost of living measurement, which may be more suitable for uses such as wage indexation.

Further information on HCPI methodology can be found from COMSTAT, one of the COMESA Secretariat websites (<http://comstat.comesa.int>) under HCPI Resources.

The Member States HCPIs are compiled by the Member States themselves, using harmonised methods laid down in COMESA Regulations. The aggregated COMESA figures are compiled by the COMESA Secretariat. An aggregated HCPI is known as an "HCPI-COMESA". The aggregates are calculated as weighted averages of the national HCPIs, using as weights each country's total household expenditure in the national accounts converted to a common currency using purchasing power parities supplied by the African Development Bank and the World Bank. The country weights are shown in Table 1.

Future release dates;

Scheduled publication dates for the forth coming months are;

Interim HCPI for	Publication date by COMESA Secretariat
January 2012	6 March 2012
February 2012	6 April 2012
March 2012	6 May 2012

Persons to contact at COMESA Secretariat; for further information on the HCPI:

Mr. Rees Mpofu

Tel: +260211229725/32

Email: hcpi@comesa.int or rmpofu@comesa.int

Mr. Themba Munalula

Tel: +260211229725/32

Email: hcpi@comesa.int or tmunalula@comesa.int

Acknowledgements

The African Development Bank, through the Statistical Capacity Building (SCB) Program, and the European Union through the Regional Integration Support Program (RISP) have been providing financial support for the development of the HCPI in the COMESA Region. The contribution of all national statistical offices in the COMESA Region is also acknowledged.

Common Market for Eastern and Southern Africa (COMESA Secretariat)

Ben Bella Road

P.O.Box 30051

Lusaka, Zambia

Tel; +260211229725/32

Fax; +260211225107

Email; comesa@comesa.int

Web: <http://www.comesa.int>