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**COMMON MARKET FOR EASTERN
AND SOUTHERN AFRICA (COMESA)**

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**COMESA REGULATIONS CONCERNING THE
TREATMENT OF TARIFF PRICES IN THE
HARMONISED CONSUMER PRICE INDICES (HCPI)**

**THE COUNCIL OF MINISTERS OF THE COMMON
MARKET OF EASTERN AND SOUTHERN AFRICA
(COMESA),**

Having regard to Article 140 of the Treaty establishing COMESA through which Member States made an undertaking to cooperate in the field of statistics in order to create an enabling environment for up-to-date reliable, harmonized and comparable statistical data on various sectors of economic activity, through the harmonization and adoption of common methodologies concepts and definitions to be used in collecting and compiling statistics;

Having regard to COMESA Regulation No [xx] of [date] concerning the establishment of harmonized consumer price indices (HCPIs) in Member States;

Having regard to existing COMESA Member States' legislation on statistics and the confidentiality clauses therein;

HEREBY ADOPTS THESE REGULATIONS:

**Article 1
Citation**

These Regulations shall be cited as the COMESA Regulations Concerning the Treatment of Tariff Prices in the Harmonized Consumer Price Indices (HCPI).

**Article 2
Definitions**

In these Regulations, unless the context otherwise requires:

“Harmonized Consumer Price Indices (HCPI)” the comparable consumer price indices compiled by each Member State;

“Homogeneous Tariff” means elements of a tariff which are of a similar type and measured in the same units;

“Member States” means COMESA Member States;

“newly significant product” means revolutionary or evolutionary type which is introduced into the HCPI because it has become widely consumed;

“Secretariat” means the COMESA Secretariat;

“Significant tariffs” means tariffs that take a large share of consumers' expenditures relative to others;

“Tariff” means a list of pre-established prices for the purchase of a particular kind of product under different terms and conditions; and

“Tariff price” means a price within a tariff which applies to a component element or unit of consumption of the product concerned.

Article 3 Objective

The objective of these Regulations is to establish a harmonized approach to the method of treating tariff prices of goods and services in the HCPI.

Article 4 General principles

1. Member States shall ensure consistency in the treatment of tariff prices and other prices in the HCPI sub-indices.
2. Member States shall ensure that changes in tariff prices reflect the price change on the basis of the changed expenditure required to maintain the same consumption pattern of households as before the change in the tariff in accordance with Article 5(2) of the Index Formulae Regulations.
3. Member States shall assign weights to the tariff components which are included in the price collection, where tariff prices fall within an elementary aggregate index.

Article 5 Basic information

Member States shall ensure that a tariff includes, as a minimum, tariff prices and weights which reflect the consumption of the goods or services in accordance with the characteristics of the consumers and the level,

structure or timing of the consumption, as set out in the tariff.

Article 6 General procedure

1. Member States shall directly compare the prices for a component element or unit in the previous tariff and the new tariff taking into account the price difference in the HCPI, where the specification of the element or unit of consumption remains unchanged following a change in tariff.
2. Member States shall calculate the price change using weights which relate to the expenditure required to preserve the same consumption pattern which applied before the tariff change, where the specification of a component element or unit of consumption changes, or a new component element is added which does not constitute a new product following a change in tariff.
3. For purposes of paragraph 2, Member States shall ensure that methods of any quality adjustments are consistent with those used for other sub-indices of the HCPI.
4. Member States shall treat a component element or unit of consumption as a newly significant product, where a component element or unit of consumption with a new and distinct specification is added to the tariff following a change in tariff.

Article 7 Types of Tariffs

Member States shall identify all significant tariffs available to consumers and assign them one or more of the following categories, as appropriate:

- (a) Tariffs based on demand conditions;
- (b) Tariffs dependent on the type of customer;
- (c) 2-part tariffs:
 - i. charge for the right or permission to use a product;
 - ii. charges for actual usage;
- (d) Block pricing; and
- (e) Tariffs dependent on the contents of a bundle of goods or services.

Some tariffs include more than one of these broad tariff types, for example, electricity tariffs may be a combination of (a) and (d).

Article 8 Price measurement methods

Member States shall select the method of measurement of changes in tariff prices from the list set out in the Annex.

Article 9 Classification

Member States shall categorise the components of a tariff within the same COICOP class:

provided that where the components of the tariff do not fall within the same COICOP class, the tariff may be included in its entirety in the COICOP class within which the greater part of the tariff expenditure occurs.

Article 10 Applicable Standards

Member States shall apply the standards referred to in Articles 4 to 9 to the procedures used for establishing the HCPI.

Article 11 Quality Control

Member States shall provide information sufficient to evaluate compliance with these Regulations:

- (a) On the tariffs identified under Article 7(1); and
- (b) On the procedures laid down in Articles 6, 8 and 9.

Article 12
Amendments

1. Any proposals for the amendment of these Regulations shall be submitted to the Secretary General in writing who shall, within 30 days of its receipt, communicate it to the Member States.
2. The Member States which wish to comment on the proposals shall do so within 90 days from the date of the dispatch of the proposals by the Secretary General.
3. After the expiration of the period prescribed under paragraph 2 the Secretary General shall submit the proposals and any comments thereon received from the Member States to Council through the Committee on Legal Affairs.
4. Any amendment to these Regulations shall be adopted by Council and shall enter into force upon publication in the Official Gazette of the Common Market.

Article 13
Entry into force

These Regulations shall enter into force on the date of publication in the Official Gazette of the Common Market.

Done and adopted at the Thirty First Meeting of the COMESA Council of Ministers held at Kampala, Uganda, on 20 November 2012.

[Signature]
Chairperson
COMESA Council of Ministers

Annex 9 (1)

Price Measurement Methods

- (a) Representative items: matched samples. In this method, changes in tariff prices are compared using weights applicable to the individual components of the tariff. This method may be appropriate to tariffs of types (a) and (c) as listed in Article 7. It should not be used in situations where there are major changes in tariff structures;
- (b) Representative items: customer profiles. In this method, one or more customer types are selected as being representative of all customers of the tariff concerned. The estimated value of the consumption of all elements of the tariff before the change in the tariff is compared with the value of the same volume of consumption after the change in the tariff. This method may be appropriate to tariffs of type (e) as listed in Article 7. It should not be used where, for any reason, it is impractical to make sufficiently precise definitions of representative customers;
- (c) Sample of bills. This method is a variant of method (b), using information obtained from the suppliers of the good or service to customers with pre-defined characteristics as in (b) above. This method may be appropriate to tariffs of type (e) as listed in Article 7.2. It should not be used where, for any reason, it is impractical to make sufficiently precise definitions of typical customers;
- (d) Unit values. Where none of methods (a) to (c) of this Article is possible, and the elements of the tariff are homogeneous, the average price change resulting from a tariff change may be calculated using overall revenue and quantity data, as supplied by the provider of the good or service.