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**COMESA REGULATIONS CONCERNING THE
EXTENSION OF PRODUCT COVERAGE 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 Extension of Product Coverage in the Harmonized Consumer Price Indices (HCPI).

**Article 2
Definitions**

In these Regulations, unless the context otherwise requires:

“Actuarial provisions” means allocations by the insurance company to technical provisions against outstanding risks;

“COICOP” means the international Classification of Individual Consumption according to Purpose;

“Claims” means the amounts which the insurance company pays to the policyholder and other parties in settlement of injuries or damage suffered by persons or goods;

“Gross insurance premiums” means the amount paid by the policyholder for a specific insurance policy to obtain insurance cover;

“Index-linked” means the periodic adjustment of the money values of some regular scheduled payments based on the movement of a price index;

“ISCED” means the International Standard Classification of Education;

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

“COMESA Harmonized Consumer Price Index (HCPI-COMESA)” means the aggregated consumer price index produced by COMESA, based on the HCPIs of Member States;

“Member States” means COMESA Member States;

“Premium supplements” means the income earned by insurance enterprises by investing their insurance technical provisions, which comprise prepayments for insurance premiums, provisions for outstanding claims, and provisions against outstanding risks;

“Reimbursements” means payments made to households by government units or non-profit institutions serving households (NPISHs) that are made as direct consequences of purchases of individually specified products, including social protection services, initially paid for by households;

“Secretariat” means the COMESA Secretariat;

“Service charge” means gross insurance premiums plus premium supplements minus claims minus changes in the actuarial provisions; and

“UNESCO” means United Nations Educational, Scientific and Cultural Organization.

Article 3 Objective

The objective of these Regulations is to extend the range of product coverage in the HCPI to ensure that all

products other than those which are permanently excluded in accordance with Annex 8 (2) are within the scope of the HCPI.

Article 4 Extensions to product coverage

1. Member States shall extend the initial product coverage set out in Annex 1 of the COMESA Regulations on Product Coverage in accordance with Annex 8(1) of these Regulations.
2. Member States shall permanently exclude the products set out in Annex 8(2) from the HCPI.
3. The Secretariat shall publish the product headings and related information in accordance with the revised list of COICOP sub-indices set out in Annex 8(3).
4. Member States shall define product headings included in Annexes 1 and 2 in accordance with the definitions and descriptions in COICOP.
5. HCPIs which include price indices and weights for each of the COICOP headings listed in Annex 8(1) accounting for more than one part in a thousand of total expenditure covered by the HCPI shall be deemed comparable in respect of product coverage.
6. Member States shall compile HCPI sub-indices for each of the COICOP headings set out in

Annex 8(1) where the weights account for more than one part in a thousand of total expenditure covered by the HCPI.

7. Each Member State shall transmit to the Secretariat the sub-indices of the HCPI referred to in paragraph 6 on a monthly basis.
8. Each Member State shall transmit to the Secretariat the corresponding weights and household final monetary consumption expenditures together with the first HCPIs relating to the extended coverage.
9. The Secretariat shall:
 - (a) produce and publish the monthly total HCPI-COMESA and the sub-indices set out in Annex 8(3); and
 - (b) publish the corresponding HCPIs of Member States.
10. The Secretariat may, after consultation with Member States, publish sub-indices at a more disaggregated level than those set out in Annex 8(3).

Article 5 Package holidays

1. The price to be recorded for the HCPI shall be the price of the entire holiday including travel, catering, accommodation and any other included elements.
2. Member States shall enter the price of a package holiday in the HCPI during the month in which the price is recorded, regardless of the month to which the holiday relates.
3. The COMESA Regulations on Seasonal and Second-Hand Products shall, where appropriate, apply to package holidays to the extent that package holidays are strongly seasonal products.

Article 6 Social protection services

1. Member States shall assign services to childcare under social protection, COICOP 12.4.0 or under pre-primary education COICOP 10.1.0 in accordance with the standards set out in ISCED1997, published by UNESCO.
2. The HCPI weights shall be:

- (a) determined according to total household expenditure on social protection services as classified in COICOP 12.4.0, less reimbursements in accordance with Article 2;
 - (b) based on the results of household expenditure surveys, National Accounts data using the expenditure concept of private consumption; and
 - (c) any other appropriate source.
3. Member States shall select representative items within COICOP 12.4.0 which are amenable to pricing on a regular basis.
 4. In the case of retirement homes and other residential institutions, the prices and weights shall:
 - (a) relate to items of personal expenditure made by the residents of the institution, including fees to the institution itself; and
 - (b) exclude purchases made by the institution whether or not for the direct benefit of the residents.

**Article 7
Insurance**

1. The element of insurance to be included in the HCPI shall be the service charge associated with the specified types of insurance policy.
2. The weights for insurance shall be:
 - (a) an estimate of the expenditure by households on service charges for insurance expressed as a proportion of the total expenditure on all products covered; and
 - (b) based on the average annual aggregate expenditure over a three year period including the weights reference year.
3. The prices used for compiling the insurance sub-index of the HCPI shall be the gross insurance premiums paid by households.
4. Where the gross premium and the cover value of a policy are index-linked, the price for the purpose of the HCPI shall not be adjusted with respect to index-linking.

**Article 8
Financial and Legal Services**

1. Member States shall extend the coverage of the HCPI to COICOP 12.6.2 and to legal services included in COICOP 12.7.0.

2. Member States shall select representative items within the classes referred to in paragraph 1 which are amenable to pricing on a regular basis.
3. Weights for COICOP classes 12.6.2 and 12.7.0 shall relate to household consumption expenditure on the entire classes.

Article 9 Quality Control

Member States shall provide the Secretariat with information sufficient to evaluate compliance with the procedures laid down in Articles 4 to 8.

Article 10 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 11 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 7(1)

Extended coverage of goods and services in the COMESA HCPI

01-12 INDIVIDUAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS

01 FOOD AND NON-ALCOHOLIC BEVERAGES

01.1 Food

01.1.1 Bread and cereals

01.1.2 Meat

01.1.3 Fish and seafood

01.1.4 Milk, cheese and eggs

01.1.5 Oils and fats

01.1.6 Fruit

01.1.7 Vegetables

01.1.8 Sugar, jam, honey, chocolate and confectionery

01.1.9 Food products n.e.c.

01.2 Non-alcoholic beverages

01.2.1 Coffee, tea and cocoa

01.2.2 Mineral waters, soft drinks, fruit and vegetable juices

02 ALCOHOLIC BEVERAGES, TOBACCO (excluding 02.3 Narcotics)

02.1 Alcoholic beverages

02.1.1 Spirits

02.1.2 Wine

02.1.3 Beer

02.2 Tobacco

02.2.0 Tobacco

03 CLOTHING AND FOOTWEAR

03.1 Clothing

03.1.1 Clothing materials

03.1.2 Garments

03.1.3 Other articles of clothing and clothing accessories

03.1.4 Cleaning, repair and hire of clothing

03.2 Footwear

03.2.1 Shoes and other footwear

03.2.2 Repair and hire of footwear

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

(excluding 04.2 Imputed rentals for housing)

04.1 Actual rentals for housing

04.1.1 Actual rentals paid by tenants

04.1.2 Other actual rentals

04.3 Maintenance and repair of the dwelling

04.3.1 Materials for the maintenance and repair of the dwelling

04.3.2 Services for the maintenance and repair of the dwelling

04.4 Water supply and miscellaneous services relating to the dwelling

04.4.1 Water supply

- 04.4.2 Refuse collection
- 04.4.3 Sewerage collection
- 04.4.4 Other services relating to the dwelling n.e.c.

04.5 Electricity, gas and other fuels

- 04.5.1 Electricity
- 04.5.2 Gas
- 04.5.3 Liquid fuels
- 04.5.4 Solid fuels
- 04.5.5 Heat energy

05 FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE

05.1 Furniture and furnishings, carpets and other floor coverings

- 05.1.1 Furniture and furnishings
- 05.1.2 Carpets and other floor coverings
- 05.1.3 Repair of furniture, furnishings and floor coverings

05.2 Household textiles

- 05.2.0 Household textiles

05.3 Household appliances

- 05.3.1 Major household appliances whether electric or not
- 05.3.2 Small electric household appliances
- 05.3.3 Repair of household appliances

05.4 Glassware, tableware and household utensils

- 05.4.0 Glassware, tableware and household utensils

05.5 Tools and equipment for house and garden

- 05.5.1 Major tools and equipment
- 05.5.2 Small tools and miscellaneous accessories
- 05.6 **Goods and services for routine household maintenance**

- 05.6.1 Non-durable household goods
- 05.6.2 Domestic services and household service

06 HEALTH

06.1 Medical products, appliances and equipment

- 06.1.1 Pharmaceutical products
- 06.1.2 Other medical products
- 06.1.3 Therapeutic appliances and equipment

06.2 Outpatient services

- 06.2.1 Medical services
- 06.2.2 Dental services
- 06.2.3 Paramedical services

06.3 Hospital services

- 06.3.0 Hospital services

07 TRANSPORT

07.1 Purchase of vehicles

- 07.1.1 Motor cars
- 07.1.2 Motor cycles
- 07.1.3 Bicycles
- 07.1.4 Animal-drawn vehicles

07.2 Operation of personal transport equipment

- 07.2.1 Spare parts and accessories for personal transport equipment

- 07.2.2 Fuels and lubricants for personal transport equipment
- 07.2.3 Maintenance and repair of personal transport equipment
- 07.2.4 Other services in respect of personal transport equipment

07.3 Transport services

- 07.3.1 Passenger transport by railway
- 07.3.2 Passenger transport by road
- 07.3.3 Passenger transport by air
- 07.3.4 Passenger transport by sea and inland waterway
- 07.3.5 Combined passenger transport
- 07.3.6 Other purchased transport services

08 COMMUNICATION

08.1 Postal services

- 08.1.0 Postal services

08.2 Telephone and telefax equipment

- 08.2.0 Telephone and telefax equipment

08.3. Telephone and telefax services

- 08.3.0 Telephone and telefax services

09 RECREATION AND CULTURE (excluding 09.4.3 games of chance)

09.1 Audio-visual, photographic and information processing equipment

- 09.1.1 Equipment for the reception, recording and reproduction of sound and pictures

- 09.1.2 Photographic and cinematographic equipment and optical instruments

- 09.1.3 Information processing equipment

- 09.1.4 Recording media

- 09.1.5 Repair of audio-visual, photographic and information processing equipment

09.2 Other major durables for recreation and culture

- 09.2.1 Major durables for outdoor recreation

- 09.2.2 Musical instruments and major durables for indoor recreation

- 09.2.3 Maintenance and repair of other major durables for recreation and culture

09.3 Other recreational items and equipment, gardens and pets

- 09.3.1 Games, toys and hobbies

- 09.3.2 Equipment for sport, camping and open-air recreation

- 09.3.3 Gardens, plants and flowers

- 09.3.4 Pets and related products

- 09.3.5 Veterinary and other services for pets

09.4 Recreational and cultural services (excluding 09.4.3 games of chance)

- 09.4.1 Recreational and sporting services

- 09.4.2 Cultural services

09.5 Newspapers, books and stationery

- 09.5.1 Books

- 09.5.2 Newspapers and periodicals

- 09.5.3 Miscellaneous printed matter

09.5.4 Stationery and drawing materials

09.6 Package holidays

09.6.0 Package holidays

10 EDUCATION

10.1 Pre-primary and primary education

10.1.0 Pre-primary and primary education

10.2 Secondary education

10.2.0 Secondary education

10.3 Post-secondary non-tertiary education

10.3.0 Post-secondary non-tertiary education

10.4 Tertiary education

10.4.0 Tertiary education

10.5 Education not definable by level

10.5.0 Education not definable by level

11 RESTAURANTS AND HOTELS

11.1 Catering services

11.1.1 Restaurants, cafés and the like

11.1.2 Canteens

11.2 Accommodation services

11.2.0 Accommodation services

**12 MISCELLANEOUS GOODS AND SERVICES
(excluding 12.5.1 Life insurance and 12.6.1 FISIM)**

12.1 Personal care

12.1.1 Hairdressing salons and personal grooming establishments

12.1.2 Electric appliances for personal care

12.1.3 Other appliances, articles and products for personal care

12.3 Personal effects n.e.c.

12.3.1 Jewellery, clocks and watches

12.3.2 Other personal effects

12.4 Social protection

12.4.0 Social protection

12.5 Insurance (excluding 12.5.1 Life insurance)

12.5.2 Insurance connected with the dwelling

12.5.3 Insurance connected with health

12.5.4 Insurance connected with transport

12.5.5 Other insurance

12.6 Financial services n.e.c. (excluding 12.6.1 FISIM)

12.6.2 Other financial services n.e.c.

12.7 Other services n.e.c.

12.7.0 Other services n.e.c.

Annex 7(2)

Goods and services excluded from the COMESA HCPI (COICOP categories shown where appropriate)

Narcotics (02.3)
Imputed rentals for owner-occupied dwellings (04.2)
Gambling (09.4.3)
Prostitution (12.2)
Life insurance (12.5.1)
Financial intermediation services indirectly measured (FISIM) (12.6.1)
Illegal transactions

Annex 7(3)

PRODUCT HEADINGS FOR WHICH THE HCPI AND RELATED INFORMATION ARE PUBLISHED

- 01 Food and non-alcoholic beverages
- 02 Alcoholic beverages and tobacco
- 03 Clothing and footwear
- 04 Housing, water, electricity, gas and other fuels
- 05 Furnishings, household equipment and routine household maintenance
- 06 Health
- 07 Transport
- 08 Communication
- 09 Recreation and culture
- 10 Education
- 11 Restaurants and hotels
- 12 Miscellaneous goods and services

Note: Headings listed above exclude products shown in Annex 1.