

# **BOTSWANA CONSUMER PRICE INDEX REBASING CONSULTATIVE WORKSHOP**

## **WELCOME REMARKS**

**DR BURTON S. MGUNI,  
STATISTICAL GENERAL,**

**DATE: DECEMBER 13, 2018**

**TRAVEL LODGE, GABORONE**

Director of Ceremonies

Deputy Statistician General, Mrs Kerekang

Stakeholders from Statistics Producer partners

BOB; MFED and NBFIRA and the rest of the NSS

Statistics Botswana Staff

Members of the Media

Ladies and Gentlemen

Dumelang,

Today, Statistics Botswana is here to conduct a very important activity, which is to share with and consult stakeholders in relation to key updating work that has to be done periodically in relation to one of the key indicators that we produce, the Consumer Price Index (CPI). This work is the rebasing of the CPI. Stakeholder consultations on methodological and technical matters such as rebasing of indicators is crucial not only to support Statistics Botswana efforts to produce

relevant, quality and timely statistics that are fit for purpose and are in accordance with international standards and best practices but also to bring greater understanding on the indicator for both stakeholders and the staff that produce the indicator. Such enhanced understanding should normally lead to greater application and use of the indicator.

That is why we place a lot of importance on stakeholder consultation because without it, we would not be able to fully discharge our mission which is to “To enable stakeholders to formulate policies, plan and make informed decisions”

The Consumer Price Index (CPI) is an economic indicator that provides a general measure of changes in prices of consumer goods and services purchased by households. The inflation rate is directly computed from the CPI. Accordingly, the CPI is used for many different purposes, such as being one of the important inputs in the formulation and revision of socio-economic and monetary policies; adjustment wages and salaries in many sectors; adjustment of some government benefits and adjustment of contracted payments such as salaries and contract prices. Taking into this wide usage of the CPI it is safe to say, the CPI directly or indirectly affects all Batswana and may others who have dealing individuals and entities operating in Botswana.

The CPI is compiled monthly by Statistics Botswana and is published every month on the 15th. It is produced in compliance with the the Special Data Dissemination Standard (SDDS). This is a high standard which Statistics Botswana has consistently met over a long period.

The primary data source for constructing the CPI basket and weights is Botswana Multi Topic Household Survey (BMTHS), which has a module of household income and expenditure.

Using the same basket of goods and fixed weights over a long period of time is not considered sound practice. Weights in a consumer price index have to be changed to reflect changing consumption patterns. Consumption patterns change in response to longer term price movements, changes in preferences, and the introduction or displacement of goods or services hence the term CPI rebasing. CPI rebasing allows us to have a common reference point so that we are talking about the same time.

The current Consumer Price Index has a base year of September 2016, whose weights were reviewed using 2009/2010 Botswana Core Welfare Indicator Survey (BCWIS). Statistics Botswana carried out BMTHS from November 2015 to October 2016 and it is now necessary to review the CPI basket and weights using this new information. The new base year base for CPI will now be December 2018 and the rebased CPI will be published in March 2019.

We are here today to share with you the proposed basket and have your inputs before we publish the rebased index as well as for you to understand and appreciate the processes involved in the rebasing of the CPI.

Ladies and gentlemen, with these few remarks I welcome you all to the CPI rebasing Consultative workshop.

I wish you very good deliberations on this important matter.

I Thank you.