

A close-up photograph of several gas pumps at a station, with yellow and green nozzles in the foreground. The background is blurred, showing more pumps and a building.

Annual CPI Stats Brief 2018



STATISTICS BOTSWANA

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PREFACE

This Stats Brief presents a brief summary of Botswana Consumer Price Indices (CPI) and Inflation rates for 2018. Price Statistics information is suitable for formulation of socio-economic and monetary policies, quantifying the purchasing power of the Pula in relation to goods and services overtime. It further compares Botswana's Consumer Price Statistics with that of her trading partners, such as the Southern African Customs Union (SACU).

In order to produce statistics that reflect the current situation in the economy, Statistics Botswana produces the Consumer Price Index monthly, to meet the expectations of the stakeholders.

The annual average inflation rate of 3.2 percent recorded in 2018 was within the inflation target range of 3 – 6 percent set out by the Bank of Botswana. On average, the All Items Index which is conventionally referred to as Consumer Price Index (CPI) was 105.9 in 2018, an increase of 3.2 percent on the 2017 average index of 102.6.

It is envisioned that our stakeholders would provide regular feedback to assist Statistics Botswana to improve on the quality of, not only this Stats Brief, but all its publications



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Statistician General
April 2019

1.0 Introduction

The Consumer Price Index (CPI) is an index which measures price movements in goods and services with reference to a base period. The current Botswana CPI series has a base period of September 2016.

The CPI is used to compute the rate of inflation as experienced by Botswana consumers. The inflation rate measures the change in the CPI for the month under review in comparison with the previous month (month-on-month change), in addition it measures change in the CPI in the same month between two consecutive years (year-on-year change). The inflation rate is essential for economic policy-making, especially the monetary policy. It is also used for adjusting contracts and wages among others.

Consumer Price Index (CPI) is computed using the Modified Laspeyres method which is in line with regional and international recommendations. **Table 1** shows the 12 groups that are comprised in the Botswana CPI basket and their corresponding indices for 2017 and 2018.

2.0 Consumer Price Index-2018

On average, the All Items Index was 105.9 in 2018 compared to the 2017 average index of 102.6. This indicates that the cost of a fixed basket of goods and services, which was worth 102.6 units in 2017 had increased to cost of 105.9 units in 2018. (Refer to **table 1**).

The average inflation rate was 3.2 percent in 2018 as opposed to 3.3 percent realized in 2017. This implies that the prices for goods and services in the Consumer Price Index (CPI) basket changed at a slower rate of 3.2 percent on average in 2018, compared to 3.3 percent in 2017. The fall in the average annual inflation rate of 3.2 per cent between 2017 and 2018 was mainly attributed to the drop by 0.5 percent of Food in 2018 compared to 3.4 percent in 2017. The Food group index accounted for 16.51 percent of CPI basket weights, which implied its significant impact in the CPI overall inflation. In addition, almost all of the group indices recorded a fall in 2018 that suppressed the increases of Transport, Education and Miscellaneous Goods & Services towards the contribution to the overall inflation. (Refer to **table 1**).

2.1 Transport

The Transport Group Index showed an increase of 7.5 percent, from an average of 101.4 in 2017 to 109.0 in 2018. The rise in this group index was precipitated by increases in the fuel pump prices that were effected on 16th May, 15th October and 15th November 2018 for both diesel and petrol, following a rise in global oil prices during the period under review.

2.2 Food & Non-Alcoholic Beverages

The Food group Index recorded a drop of 0.5 percent, from an average of 102.8 in 2017 to 102.3 in 2018. Given the fact that the weight of Food & Non-Alcoholic Beverages is 16.51 in the CPI basket and the frequency at which a consumer purchases food items, low food prices can have a positive impact on consumer welfare particularly, those individuals in the bottom income level, for whom food, has a larger share of their total expenditures.

2.3 Alcoholic Beverages & Tobacco

The Alcoholic Beverages & Tobacco Group Index stood at 104.3 on average in 2018, an increase of 1.1 percent from the 2017 average of 104.3. Contributing to the increase was the general rise in the section indices.

2.4 Housing, Water, Electricity, Gas & Other Fuels

The Housing, Water, Electricity, Gas & Other Fuels group index stood at 108.4 on average in 2018, an increase of 4.1 percent from the 2017 average of 104.2. The increase in this group index was mainly due to an increase in the constituent section index of Electricity, Gas & Other Fuels, which rose by 7.0 percent. The rise in the Electricity, Gas & Other Fuels section index was largely due to the hike in the electricity tariffs by 10 percent for domestic consumers who consumed less than 200 kWh as well as those who consumed more than 200 kWh, which were effected on the 1st April 2018.

2.5 Miscellaneous Goods & Services

The Miscellaneous Goods & Services group index went up on average from 102.2 to 108.7, registering an increase of 6.4 percent during the period under review. The rise was attributed to the general increase in the section indices.

2.6 Other Group Indices

The Education group index rose by 5.5 percent while the Health group index recorded an increase of 1.1 percent. Restaurants & Hotels group Index rose by 3.4 percent whereas Clothing & Footwear group Index recorded 1.8 percent in 2018. Furnishing, Household Equipment & Routine Maintenance group index recorded 2.1 percent. The Recreation & Culture increased by 1.8 percent while Communications group index dropped by 4.6 percent.

Figure 1: Inflation Rates for CPI Major Components (Groups) for 2017 and 2018

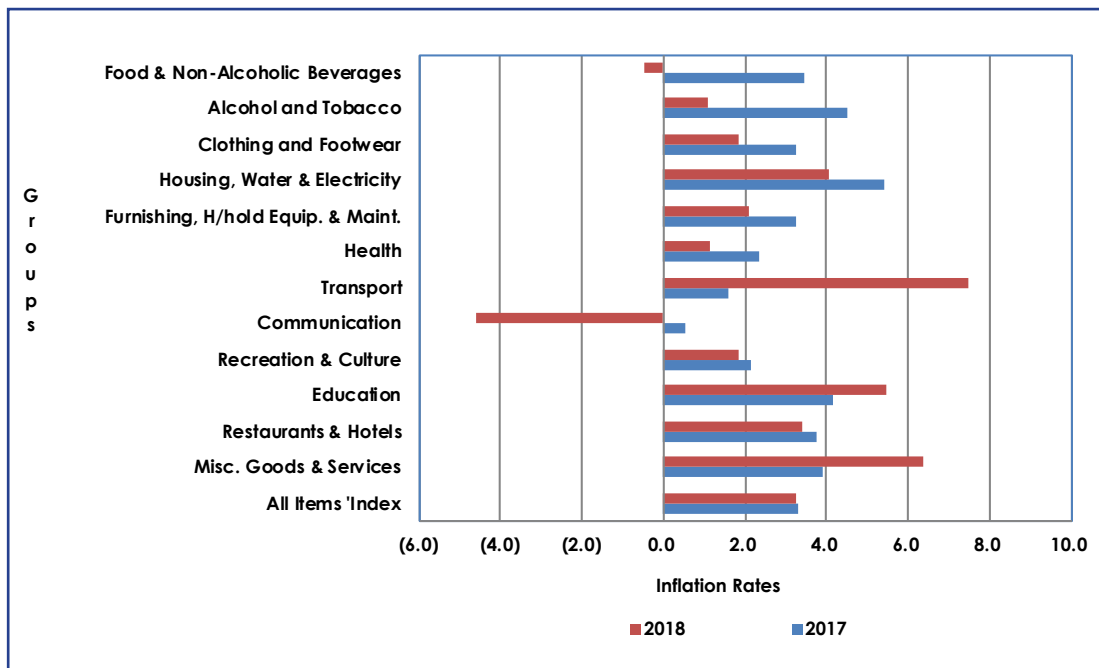


Figure 1 above gives a comparison of average inflation rates for the group indices. Out of the twelve (12) major components in the Consumer Price Index (CPI) basket, consumer price increases in 2018 were mainly driven by the rise for one of life's basic necessities, which is transport.

2.7 Consumer Price Index by Tradeability

Table 2 shows All Items Index by Tradeability. There are two types of tradeability indices calculated on monthly basis namely; All Tradeables and Non-Tradables Index. All Tradeables Index is further categorized into two groups - Domestic Tradeables and Imported Tradeables Index. These indices and their corresponding weights are shown in **Table 2**.

The table illustrates that it was expensive to buy Goods classified as Non-tradable as reflected by its average annual inflation rate of 4.4 percent compared to those classified as Domestic Tradeables and Imported tradeables with the rates of 0.3 and 3.6 percent respectively.

Domestic Tradeables Index stood at 103.2 on average, whereas Imported Tradeables and Non-Tradeables Indices registered an average of 106.3 and 107.1 respectively. The Domestic Tradeables inflation rate was lowest throughout 2018 registering an average of 0.3 percent while the Imported Tradeables inflation rate recorded an average of 3.6 percent during the period under review.

2.8 Consumer Price Index and Inflation Rates by Strata

CPI is also compiled by strata, meaning, CPI is recorded according to Cities/towns, Urban villages and Rural villages. **Table 3** shows that in 2018 inflation rate in Rural Villages was moving at sluggish pace compared to urban villages and cities/towns. In Urban villages consumers needed 106.9 units in December 2018 to buy the same basket which would cost 108.4 units in Cities/Towns. This implies that it was expensive to buy goods and services in Cities/Towns compared to urban villages as reflected by average inflation rate in 2018.

3.0 Core Inflation

The Core Inflation is a measure of inflation that seeks to capture the underlying inflation trend due to underlying demand and supply conditions. Statistics Botswana has adopted two approaches to measure core inflation namely; the 16 percent trimmed mean core inflation and core inflation by exclusion. The trimmed mean method attempts to remove 8 percent (by weight) of the commodity sub-groups with the largest price changes at each end of an ordered series of price changes in any given month. The measure of core inflation by exclusion attempts to remove the volatility inherent in prices that are only adjusted periodically and not always in response to currently prevailing market forces.

Figure 2: Headline and Core Inflation Rates for 2018

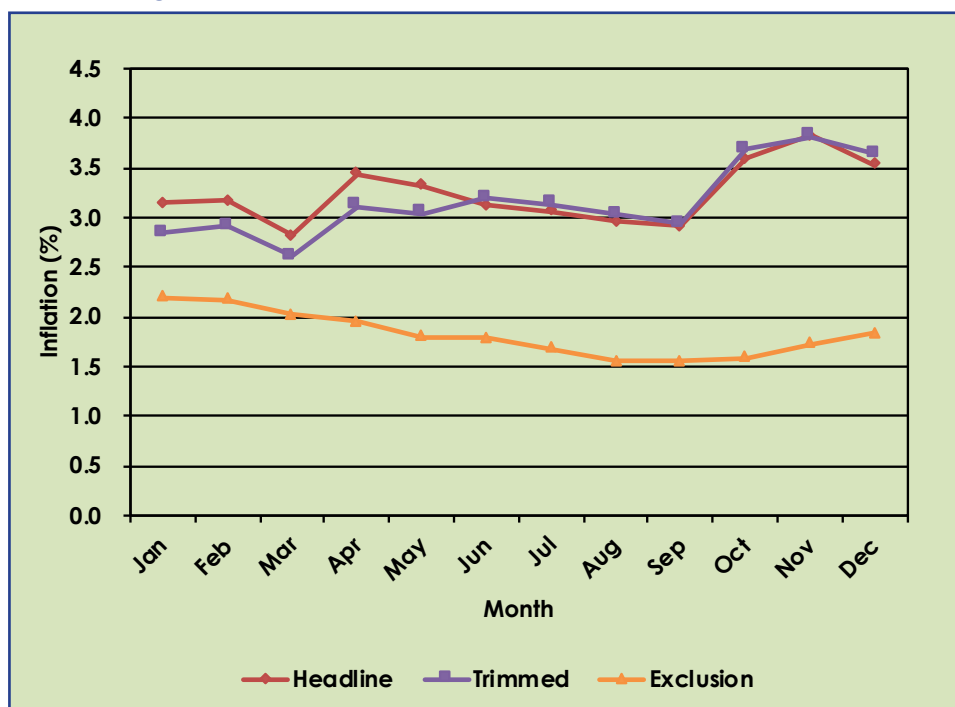


Figure 2 above gives a comparison of headline and core inflation rates. The graph depicts that for the first quarter of 2018 headline inflation was higher than the Trimmed Mean Core inflation, while the Core Inflation by Exclusion was trending even lower of the two. During the third quarter of the year both headline inflation and trimmed mean inflation were displaying an identical fluctuation patterns even though the latter was slightly lower.

4.0 Comparison of Botswana and Southern African Customs Union (SACU) Headline Inflation

Comparatively, Botswana's annual average inflation rate of 3.2 percent in 2018 was the lowest among the Southern African Customs Union (SACU) member states. The highest annual average inflation rate was recorded in Swaziland and Lesotho, which recorded a rate of 4.8 percent each whereas Namibia and South Africa recorded an average annual rates of 4.3 and 4.7 percent respectively (See **table 4**).

5.0 Purchasing Power of the Pula

Since the Consumer Price Index measures the change over time in the cost of a fixed basket of commodities and services, it essentially means that if the prices of the basket commodities continue to go up, the initial amount of Pula currency that were used to purchase the basket of commodities progressively buys less of the commodity items. Table 5 shows the trend of the purchasing power of the pula from 2003 to 2018. Figures above the diagonal show the depreciation of the pula over time, on the other hand, figures below the diagonal convey the same idea as those above but rather in reverse order. These figures show how much a fixed quantity of goods (Pula' worth of goods at a reference point in time) would cost as time progresses. For example, P1.00 in 2003 would be equivalent to P0.38 in 2018 and goods that would have been bought at P1.00 in 2003 would cost P2.63 in 2018. Refer to **table 5**.

TABLE 1: ANNUAL PERCENTAGE CHANGE OF CONSUMER PRICE INDICES BETWEEN 2017 AND 2018, BY MAJOR COMPONENT, FOR BOTSWANA

Group	Weight	2017	2018	Annual Average change 2017	Annual Average change 2018
				Percent	Percent
Food & Non-Alcoholic Beverages	16.51	102.8	102.3	3.4	-0.5
Alcoholic Beverages, Tobacco & Narcotics	7.83	104.3	105.4	4.5	1.1
Clothing & Footwear	6.27	102.3	104.2	3.2	1.8
Housing	14.90	104.2	108.4	5.4	4.1
Furnishing, Household Equipment & Routine Maintenance	6.39	102.6	104.7	3.3	2.1
Health	3.62	101.6	102.8	2.4	1.1
Transport	20.65	101.4	109.0	1.6	7.5
Communications	4.27	100.5	95.9	0.5	-4.6
Recreation & Culture	2.92	101.9	103.8	2.2	1.8
Education	3.34	104.1	109.8	4.1	5.5
Restaurants & Hotels	2.76	103.0	106.5	3.7	3.4
Miscellaneous Goods & Services	10.55	102.2	108.7	3.9	6.4
All Item Index	100.0	102.6	105.9	3.3	3.2

TABLE 2 : CONSUMER PRICE INDEX BY TRADEABILITY-2018 (September 2016 = 100.0)

		All Item Index	Inflation	Non-Tradable Index	Inflation	Domestic Tradable Index	Inflation	Imported Tradable Index	Inflation	All Tradable Index	Inflation
Weights		100.00	%	35.83	%	20.39	%	43.77	%	64.17	%
2018	Jan	104.1	3.1	104.4	3.9	102.7	0.5	104.6	3.8	104.0	2.8
	Feb	104.4	3.2	104.5	4.0	103.0	0.3	105.0	3.8	104.4	2.8
	Mar	104.6	2.8	104.8	4.0	103.2	0.1	105.0	3.1	104.5	2.2
	Apr	106.0	3.4	108.4	5.8	103.3	-0.1	105.2	3.1	104.7	2.1
	May	106.1	3.3	108.4	5.7	103.4	-0.2	105.3	3.0	104.8	2.0
	Jun	106.1	3.1	107.5	4.4	103.3	-0.2	106.2	3.6	105.3	2.4
	Jul	106.2	3.1	107.7	4.4	103.3	-0.1	106.2	3.4	105.4	2.3
	Aug	106.2	3.0	107.7	4.4	103.2	0.0	106.2	3.2	105.3	2.2
	Sep	106.2	2.9	107.9	4.3	103.2	0.6	106.1	2.9	105.2	2.1
	Oct	106.9	3.6	107.8	4.1	103.2	0.7	107.8	4.5	106.4	3.3
	Nov	107.3	3.8	107.8	4.2	103.4	1.0	108.7	4.9	107.1	3.7
	Dec	107.4	3.5	107.9	3.9	103.4	1.1	108.8	4.4	107.2	3.4
Annual average		105.9	3.2	107.1	4.4	103.2	0.3	106.3	3.6	105.3	2.6

TABLE 3 : CONSUMER PRICE INDEX AND INFLATION RATES BY STRATA

		Cities & Towns	Urban Village Index	Rural Village Index	Annual Inflation		
					Cities & Towns	Urban Village	Rural Village
Weights		0.42	0.34	0.24	%	%	%
2018	Jan	104.5	103.7	104.1	3.6	2.9	2.8
	Feb	104.7	104.1	104.4	3.6	2.9	2.7
	Mar	104.9	104.2	104.5	3.3	2.6	2.3
	Apr	106.6	105.6	105.5	4.2	3.1	2.7
	May	106.7	105.7	105.5	4.1	3.0	2.5
	Jun	106.8	105.7	105.4	4.0	2.7	2.3
	Jul	106.9	105.7	105.5	3.9	2.7	2.1
	Aug	106.9	105.7	105.5	3.8	2.6	2.0
	Sep	106.9	105.8	105.5	3.6	2.7	2.0
	Oct	107.8	106.4	106.1	4.4	3.4	2.5
	Nov	108.3	106.7	106.4	4.7	3.6	2.6
	Dec	108.4	106.9	106.4	4.2	3.5	2.5
Annual Average		106.6	105.5	105.4	3.9	3.0	2.4

TABLE 4: COMPARISON OF BOTSWANA AND SACU MEMBER STATES HEADLINE INFLATION FOR 2018

2018	Botswana	Lesotho	Swaziland	Nambia	South Africa
January	3.1	5.3	4.6	3.6	4.4
February	3.2	5.2	4.0	3.5	4.0
March	2.8	4.8	4.0	3.5	3.8
April	3.4	3.8	4.8	3.6	4.5
May	3.3	3.8	4.8	3.8	4.4
June	3.1	4.0	4.9	4.0	4.6
July	3.1	4.1	4.9	4.5	5.1
August	3.0	4.7	4.9	4.4	4.9
September	2.9	5.0	5.1	4.8	4.9
October	3.6	5.3	5.2	5.1	5.1
November	3.8	5.6	5.3	5.6	5.2
December	3.5	5.4	5.2	5.1	4.5
Average	3.2	4.8	4.8	4.3	4.7

TABLE 5: PURCHASING POWER OF THE PULA

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
2003	1.00	0.93	0.86	0.77	0.72	0.64	0.59	0.55	0.51	0.47	0.45	0.43	0.42	0.40	0.39	0.38
2004	1.07	1.00	0.92	0.83	0.77	0.68	0.63	0.59	0.55	0.51	0.48	0.46	0.45	0.43	0.42	0.41
2005	1.16	1.09	1.00	0.90	0.84	0.74	0.69	0.64	0.59	0.55	0.52	0.50	0.48	0.47	0.46	0.44
2006	1.30	1.21	1.12	1.00	0.93	0.83	0.77	0.72	0.66	0.61	0.58	0.56	0.54	0.52	0.51	0.49
2007	1.39	1.30	1.19	1.07	1.00	0.89	0.82	0.77	0.71	0.66	0.62	0.60	0.58	0.56	0.54	0.53
2008	1.56	1.46	1.35	1.21	1.13	1.00	0.93	0.86	0.80	0.74	0.70	0.67	0.65	0.63	0.61	0.59
2009	1.69	1.58	1.45	1.30	1.22	1.08	1.00	0.93	0.86	0.80	0.76	0.73	0.70	0.68	0.66	0.64
2010	1.81	1.69	1.56	1.39	1.30	1.16	1.07	1.00	0.92	0.86	0.81	0.78	0.75	0.73	0.71	0.69
2011	1.96	1.83	1.69	1.51	1.41	1.25	1.16	1.08	1.00	0.93	0.88	0.84	0.82	0.79	0.77	0.74
2012	2.11	1.97	1.81	1.63	1.52	1.35	1.25	1.17	1.08	1.00	0.94	0.90	0.88	0.85	0.83	0.80
2013	2.23	2.09	1.92	1.72	1.61	1.43	1.32	1.23	1.14	1.06	1.00	0.96	0.93	0.90	0.88	0.85
2014	2.33	2.18	2.01	1.80	1.68	1.49	1.38	1.29	1.19	1.11	1.04	1.00	0.97	0.94	0.91	0.89
2015	2.40	2.25	2.07	1.85	1.73	1.54	1.42	1.33	1.23	1.14	1.08	1.03	1.00	0.97	0.94	0.91
2016	2.47	2.31	2.12	1.91	1.78	1.58	1.46	1.37	1.26	1.17	1.11	1.06	1.03	1.00	0.97	0.94
2017	2.55	2.38	2.19	1.97	1.84	1.63	1.51	1.41	1.30	1.21	1.14	1.09	1.06	1.03	1.00	0.97
2018	2.63	2.46	2.27	2.03	1.90	1.68	1.56	1.46	1.34	1.25	1.18	1.13	1.10	1.07	1.03	1.00

TABLE 6: 2018 NATIONAL CONSUMER PRICE GROUP AND SECTION INDICES(SEPTEMBER 2016=100.0)

Group Section	Weights	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Food & Non-Alcoholic Beverages	16.51	102.3	102.7	102.8	102.9	102.9	102.6	102.4		101.8	101.7	101.8	101.9
Bread & Cereals	5.27	97.1	97.1	96.7	96.5	95.9	95.5	95.1	94.7	94.1	93.6	93.6	93.5
Meat (Fresh, Chilled & Frozen)	2.66	104.6	105.2	105.3	105.0	105.2	105.0	105.0	104.8	104.8	104.5	104.6	104.8
Fish (Fresh, Chilled & Frozen)	0.17	104.2	104.5	105.0	105.8	106.4	106.6	106.6	106.7	106.8	106.9	106.4	106.5
Milk, Cheese & Milk Products	1.49	100.8	101.2	101.5	101.7	102.0	102.1	102.4	103.0	103.3	103.8	103.8	103.9
Oils & Fats	0.70	100.3	100.5	100.7	100.4	100.4	100.3	100.4	100.4	100.5	99.9	99.5	99.1
Fruit	0.86	107.8	108.2	110.2	110.9	110.9	110.5	110.1	109.8	109.3	109.1	109.7	110.6
Vegetables	1.80	106.2	106.8	108.2	109.0	109.2	108.7	107.8	106.9	106.0	105.9	106.2	105.2
Sugar, Jam, Honey, Chocolate & Confectionery	1.29	110.7	110.9	110.7	110.8	110.5	109.5	109.6	109.4	109.2	109.2	110.0	112.0
Food not else where Classified	0.99	101.5	102.6	102.6	102.7	103.2	103.6	103.3	102.2	102.4	102.5	102.6	103.0
Coffee, Tea & Cocoa	0.36	113.9	114.7	115.2	115.4	115.7	116.0	116.2	116.4	116.5	117.4	117.5	118.1
Mineral Waters, Soft Drinks, Fruits & Veg. Juices	0.92	101.4	101.6	101.6	102.1	102.3	102.9	103.2	103.2	103.5	103.7	103.6	103.5
Alcoholic Beverages & Tobacco	7.83	104.8	104.9	105.0	104.9	105.2	105.4	105.6		105.9	105.9	105.9	105.7
Alcoholic Beverages	6.19	104.5	104.6	104.7	104.6	105.0	105.2	105.3	105.5	105.6	105.6	105.7	105.4
Tobacco	1.65	105.6	106.0	106.0	105.7	105.9	106.4	106.7	106.9	106.9	107.0	107.0	106.9
Clothing & Footwear	6.27	103.3	103.5	103.7	104.0	104.2	104.4	104.6		104.6	104.5	104.6	104.8
Clothing	2.42	102.5	102.8	103.1	103.6	103.7	103.8	103.8	103.6	103.5	103.4	103.5	103.7
Other articles of Clothing	1.01	103.2	103.5	103.5	104.5	104.6	104.6	105.0	105.2	105.2	105.2	105.2	105.2
Cleaning, Repair & Hire	0.99	105.3	105.3	105.6	105.6	106.1	106.6	107.5	107.9	108.3	108.3	108.4	108.9
Footwear	1.85	103.3	103.3	103.5	103.5	103.8	103.9	104.0	103.7	103.7	103.5	103.6	103.7
Housing, Water, Electr. Gas & Other Fuels	14.90	106.2	106.4	106.7	108.3	108.4	108.8	108.9		109.4	109.4	109.6	109.8
Rent paid by Tenants	6.25	102.7	102.7	103.1	103.1	103.1	104.1	104.1	104.1	105.1	105.1	105.1	105.1
Materials for Maintenance & Repair of dwellings	4.29	103.8	104.3	104.6	105.1	105.5	105.6	105.6	106.0	106.0	105.9	106.3	106.5
Water Supply & Misc. Services	1.50	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4
Electricity Gas and other Fuels	2.86	107.6	107.6	107.7	115.2	115.3	115.5	115.5	115.5	115.6	115.9	116.4	116.7
Furnishing, Household Equipment & Routine Maintenance	6.39	103.4	103.7	104.4	104.5	104.6	104.8	104.9		105.4	105.4	105.5	105.4
Furniture & Furnishing	1.65	103.6	103.9	104.1	104.3	104.4	104.7	105.0	105.2	105.2	105.2	105.5	105.5
Carpets & Other Floor Coverings	0.24	103.5	103.4	103.7	104.3	104.5	105.1	105.1	105.1	105.3	105.2	105.4	105.6
Household Textiles	0.41	103.4	103.6	103.8	103.9	104.0	104.2	104.3	104.4	104.3	104.5	104.3	104.6
Household Appliances	0.85	102.6	103.0	103.3	102.9	103.0	103.0	103.2	103.3	103.2	103.0	103.1	103.0
Glassware, Tableware & Household Utensils	0.40	100.5	100.5	100.6	100.6	100.6	101.1	101.2	101.5	101.6	101.7	101.9	101.8
Small Tools, Miscellaneous Accessories	0.06	102.3	102.9	102.9	103.2	103.5	103.7	103.7	104.0	104.3	104.3	103.7	103.3
Goods & Services for H/hold Maintanance	2.78	104.0	104.3	105.5	105.7	105.8	106.1	106.1	105.9	106.9	106.9	106.9	106.7

TABLE 6 CONT'D: 2018 NATIONAL CONSUMER PRICE GROUP AND SECTION INDICES(SEPTEMBER 2016=100.0)

Group Section	Weights	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Health	3.62	102.3	102.4	102.5	102.5	102.6	102.7	102.8	102.8	103.0	103.1	103.2	103.3
Medical Products, App. & Equip.	0.81	105.7	106.0	106.5	106.6	107.2	107.2	107.7	107.9	108.9	109.3	109.7	109.9
Out-patient Services	0.70	102.4	102.4	102.4	102.5	102.5	102.5	102.5	102.6	102.6	102.5	102.5	102.8
Hospital Services	2.10	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0
Transport	20.65	104.7	105.0	104.9	107.4	107.4	109.0	109.2	109.2	109.1	112.9	114.6	114.8
Purchase of Vehicles	5.29	102.3	103.3	102.8	103.3	103.3	103.4	104.0	104.1	103.5	105.3	105.3	106.4
Operation of Personal Transport	11.13	107.4	107.6	107.6	107.6	107.6	110.6	110.6	110.7	110.7	116.9	120.0	119.9
Transport Services	4.22	100.5	100.5	100.5	111.9	111.9	111.9	111.9	111.9	111.9	111.9	111.9	111.9
Communication	4.27	101.2	101.3	101.3	101.4	101.4	92.0	92.0	92.0	92.1	92.1	92.1	91.9
Postal Services	0.15	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5
Telephone & Telefax Equipment	0.71	102.0	102.2	102.5	102.6	102.6	102.6	102.6	102.7	102.8	102.8	102.8	101.8
Telephone & Telefax Services	3.41	100.0	100.0	100.0	100.0	100.0	88.3	88.4	88.4	88.3	88.3	88.3	88.3
Recreation & Culture	2.92	102.6	102.9	103.4	104.0	104.1	104.1	104.2	104.2	104.2	103.8	103.9	104.0
Audio Visual, Photographic Info. Proce. Equip.	1.96	102.4	102.8	103.4	103.8	103.9	103.8	103.9	103.9	103.9	103.3	103.4	103.5
Other Recreational Items & Equip.	0.46	101.6	101.6	101.7	101.7	101.7	102.0	102.3	102.2	102.2	102.0	102.0	102.3
Recreational & Cultural Services	0.37	104.9	104.9	105.0	107.4	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7
Newspapers, Books & Stationary	0.13	104.1	104.2	104.5	105.5	105.4	105.9	106.0	106.1	106.1	106.3	106.6	106.9
Education	3.34	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8
Pre-Primary & Primary Education	0.80	121.8	121.8	121.8	121.8	121.8	121.8	121.8	121.8	121.8	121.9	121.9	121.9
Secondary & Tertiary Education	2.54	106.0	106.0	106.0	106.0	106.0	106.0	106.1	106.1	106.1	106.1	106.1	106.1
Restaurants & Hotels	2.76	104.9	105.3	105.4	105.9	106.2	106.6	107.0	107.2	107.3	107.3	107.4	107.7
Restaurants, Cafes and the Like	2.31	105.2	105.7	105.8	106.1	106.3	106.6	107.1	107.2	107.3	107.3	107.4	107.7
Accommodation Services	0.45	103.2	103.3	103.3	104.7	105.7	106.3	106.6	106.8	107.2	107.3	107.3	107.3
Miscellaneous Goods & Services	10.55	103.7	104.3	104.5	110.1	110.2	110.3	110.5	110.4	110.3	109.8	109.9	110.1
Personal Care	1.71	103.6	104.2	104.3	104.9	105.3	105.5	105.6	105.8	105.8	105.5	105.5	105.4
Personal Effects N.E.C.	1.24	103.6	103.6	104.6	104.3	104.2	104.3	104.6	104.5	104.4	103.8	103.9	104.1
Social Protection	0.07	120.9	120.9	120.9	120.9	120.9	120.9	120.9	120.9	120.9	120.9	120.9	121.0
Insurance	4.73	102.8	103.7	103.7	115.9	115.9	115.9	116.2	116.1	115.8	115.0	115.0	115.4
Financial Services	0.79	103.7	104.1	104.4	104.5	105.8	105.9	105.9	106.0	106.0	106.0	106.6	107.0
Taxes Licences, Fees	2.01	105.4	105.7	106.2	106.4	106.1	106.2	106.2	106.2	106.4	106.2	106.2	106.2
All-Items Index	100.0	104.1	104.4	104.6	106.0	106.1	106.1	106.2	106.2	106.2	106.9	107.3	107.4

TABLE 7: AVERAGE ANNUAL INFLATION FOR 2009 - 2018 (SEPTEMBER 2016=100)

	Group Indices	Weights	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	Food & Non-Alcoholic Beverages	16.51	14.7	3.6	6.9	8.0	5.4	3.0	1.3	2.7	3.4	(0.5)
2	Alcoholic Beverages, Tobacco & Narcotics	7.83	35.2	7.1	8.4	7.6	10.3	9.0	6.1	2.5	4.5	1.1
3	Clothing and Footwear	6.27	8.4	8.0	8.9	7.5	6.3	6.0	7.6	6.5	3.2	1.8
4	Housing, Water, Electr. Gas & Other Fuels	14.90	4.8	6.4	8.4	7.7	4.3	3.9	7.1	6.3	5.4	4.1
5	Furnishing, H/H Equipment & Routine Maintenance	6.39	11.9	9.4	9.0	7.3	4.9	5.0	6.1	3.0	3.3	2.1
6	Health	3.62	5.5	2.7	4.5	5.9	5.5	8.3	6.3	3.0	2.4	1.1
7	Transport	20.65	(8.4)	12.1	13.2	10.8	7.3	1.2	(5.1)	(2.7)	1.6	7.5
8	Communication	4.27	(0.3)	1.2	(3.0)	(1.4)	0.3	0.3	0.3	0.2	0.5	(4.6)
9	Recreation & Culture	2.92	5.0	6.0	8.3	5.8	4.5	4.2	5.7	3.0	2.2	1.8
10	Education	3.34	3.9	5.8	10.6	6.4	4.7	7.4	6.4	3.7	4.1	5.5
11	Restaurants & Hotels	2.76	18.8	9.0	9.3	8.4	7.9	7.6	5.5	4.0	3.7	3.4
12	Miscellaneous Goods & Services	10.55	3.8	7.0	5.3	2.0	1.2	5.2	7.2	7.5	3.9	6.4
	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

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-Tradeable 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.

Basket -A specified set of goods and services contained in the CPI basket

Weights normally represent the relevant importance of the item or product in a group.