



HCPI – COMESA Monthly News Release

Common Market for Eastern and Southern Africa (COMESA)

Macroeconomic Indicators

COMESA region annual inflation rate stood at 9.8% in Feb 2015

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The year on year inflation rate (**annual percentage change**) in the COMESA region as measured by the Harmonized Consumer Price Index (HCPI-COMESA) stood at **9.8%** for the month of **February 2015**, up from **8.9%** registered in **January 2015**. A year earlier the rate was **12.5%**.

The month on month inflation rate in the COMESA region as measured by HCPI-COMESA stood at **1.6%** for the month of **February 2015**, up from **-0.7%** registered in **January 2015**. It was **0.7%** in **February 2014**.

HCPI-COMESA comprises of twelve divisions of expenditure. These divisions registered the following average price changes during the month of **February 2015** compared with **February 2014**.

Food & Non-alcoholic Beverages (**+9.0%**); Alcoholic Beverages and Tobacco (**+26.3%**); Clothing and Footwear (**+7.5%**); Housing, Water, Electricity, Gas and Other Fuels (**+12.3%**); Furnishings, Household Equipment and Routine Household Maintenance (**+4.9%**); Health (**+3.5%**); Transport (**+11.1%**); Communication (**+2.0%**); Recreation and Culture (**+18.3%**); Education(**+20.6%**); Restaurants and Hotels (**+11.6%**); and Miscellaneous Goods and Services (**+4.8%**)

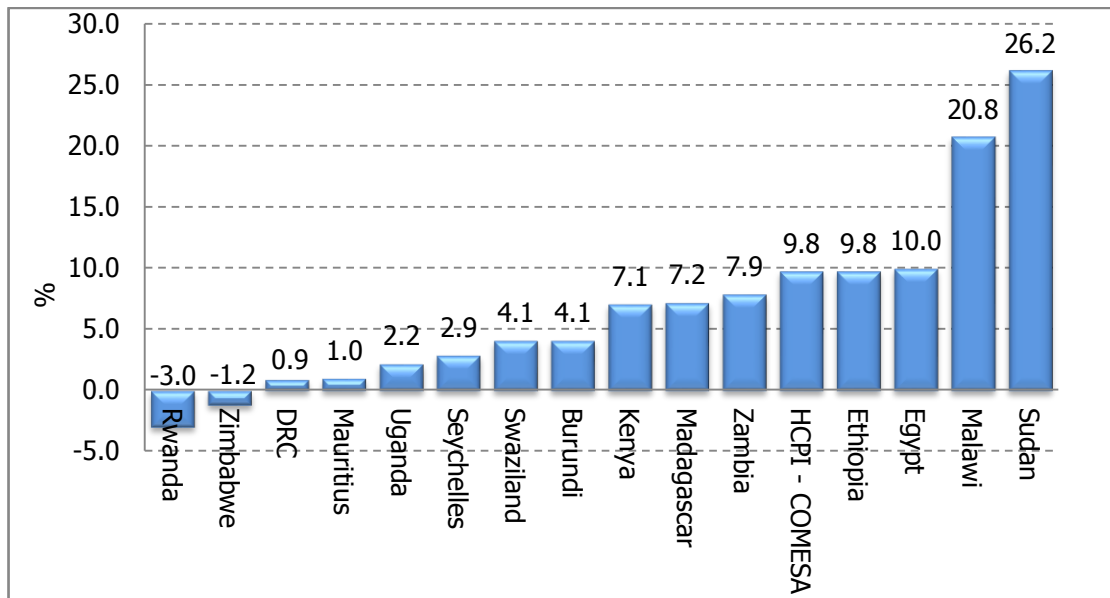
COMESA Member States annual inflation rates (%) as at Feb 2015

The participating Member States that contribute to HCPI-COMESA registered the following rates of total inflation in **February 2015** compared to **February 2014**.

Burundi(+4.1%); **Democratic Republic of Congo**(+0.9%); **Egypt**(+10.0%); **Ethiopia**(+9.8%); **Kenya**(+7.1%); **Madagascar**(+7.2%); **Malawi**(+20.8%); **Mauritius**(1.0%); **Rwanda**(-3.0%); **Seychelles**(+2.9%); **Sudan**(+26.2%); **Swaziland**(+4.1%); **Uganda**(+2.2%); **Zambia**(+7.9%); and **Zimbabwe**(-1.2%).

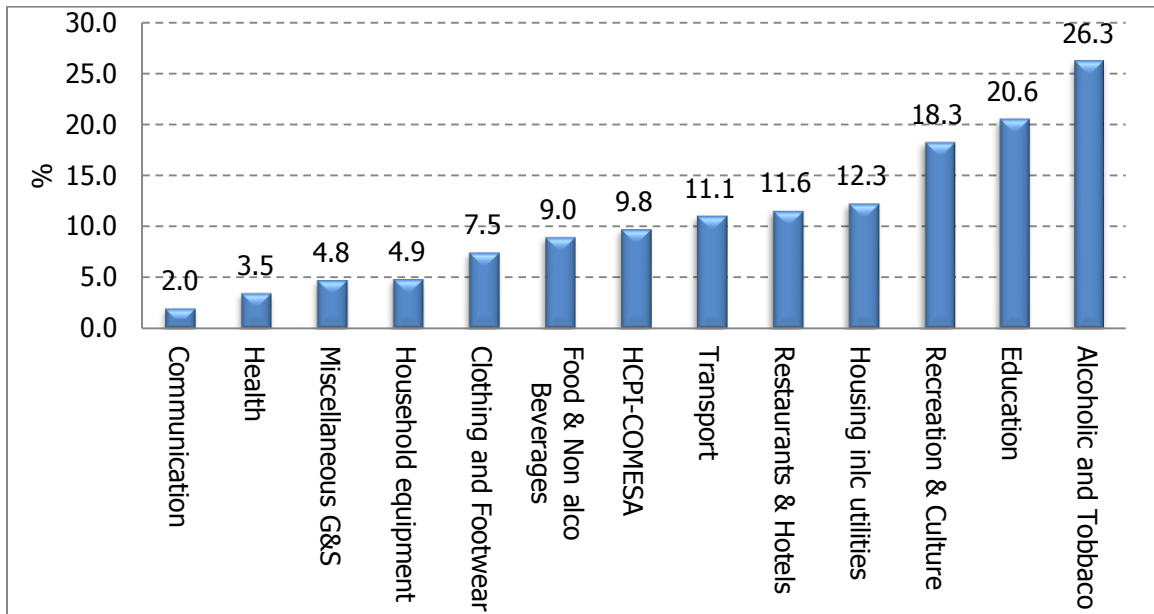
The HCPIs are produced in a collaborative manner between the COMESA and SADC Secretariats. The methodology is the same and common membership countries submit national HCPIs simultaneously to both Secretariats. Figure 5 in page 8 shows the COMBINED regions annual average inflation rate for the years 2012 and 2013. The COMESA region registered higher annual average inflation in both periods relative to the SADC region.

Figure 1:
Year on year inflation rates (%) in the COMESA region and in the individual Member States as at **Feb 2015**



Sudan recorded the highest year on year inflation rate of **(+26.2 %)** followed by Malawi with an annual inflation rate of **(+20.8%)** whilst Rwanda recorded the least annual inflation rate of **(-3.0%)** in **February 2015**.

Figure 2:
Average HCPI-COMESA and Main Components of Expenditure (Divisions) year on year inflation rates as at **Feb 2015**



Based on the main components of expenditure, Alcoholic Beverages & Tobacco Divisions registered the highest annual inflation rate of **(+26.3 %)** whilst the Communication Division recorded the least annual change of **(+2.0 %)** in **February 2015**.

Table 1:
Annual (Year on Year) Inflation rates (%) for each Member State, measured by country HCPIs and HCPI-COMESA in **2015**

Year on Year (Y-O-Y) inflation rates in 2015 in the COMESA Member States and COMESA Region													
COMESA Member States	Weights	Jan15	Feb15	Mar 15	Apr 15	May15	Jun15	Jul15	Aug15	Sept15	Oct15	Nov15	Dec15
		Jan14	Feb14	Mar14	Apr14	May14	Jun14	Jul14	Aug14	Sept14	Oct14	Nov14	Dec14
Burundi	0.47	6.3	4.1										
Comoros													
DRC	2.73	1.0	0.9										
Djibouti													
Egypt	58.71	8.6	10.0										
Eritrea													
Ethiopia	7.47	9.0	9.8										
Kenya	6.65	5.1	7.1										
Libya													
Madagascar	2.58	7.0	7.2										
Malawi	1.39	22.1	20.8										
Mauritius	1.33	-0.2	1.0										
Rwanda	1.32	-2.3	-3.0										
Seychelles	0.09	2.5	2.9										
Sudan	8.93	26.6	26.2										
Swaziland	0.63	5.4	4.1										
Uganda	4.08	2.0	2.2										
Zambia	2.14	8.7	7.9										
Zimbabwe	1.48	-1.1	-1.2										
HCPI - COMESA	100.00	8.9	9.8										

As measured by HCPI-COMESA, COMESA region year on year inflation rate stood at **(+9.8%)** in **February 2015**.

It means that the prices of goods and services as measured by HCPI-COMESA increased by an average of **(+9.8%)** in the COMESA region between **February 2015** and **February 2014**.

Using a particular or common currency, an item that cost an average of **100.00** cents in **February 2014** increased to **109.80** cents in **February 2015**.

Table 2:
Month on Month inflation rates in (%) for each Member State, measured by country HCPIs and HCPI-COMESA in 2015

Month on Month inflation rates in (%) for each Member State, as measured by country HCPIs and HCPI-COMESA in 2015													
COMESA Region	Weights	Jan15	Feb15	Mar 15	Apr 15	May15	Jun15	Jul15	Aug15	Sept15	Oct15	Nov15	Dec15
		Dec 14	Jan 15	Feb 15	Mar15	Apr 15	May15	Jun 15	Jul15	Aug15	Sep15	Oct15	Nov15
Burundi	0.47	3.0	0.0										
Comoros													
DRC	2.73	0.0	0.0										
Djibouti													
Egypt	58.71	1.6	2.2										
Eritrea													
Ethiopia	7.47	1.1	1.0										
Kenya	6.65	0.5	0.6										
Libya													
Madagascar	2.58	1.3	0.9										
Malawi	1.39	6.4	4.1										
Mauritius	1.33	0.6	2.1										
Rwanda	1.32	-3.3	0.5										
Seychelles	0.09	2.6	0.2										
Sudan	8.93	1.7	0.6										
Swaziland	0.63	-0.1	0.2										
Uganda	4.08	-0.5	0.5										
Zambia	2.14	0.4	0.2										
Zimbabwe	1.48	-0.3	-0.1										
HCPI - COMESA	100.00	-0.7	1.6										

As measured by HCPI-COMESA, COMESA region month on month inflation rate stood at **(+1.6 %)** in **February 2015**. It was **(-0.7 %)** in **January 2015** and **(+0.7%)** in **February 2014**.

It means that the prices of goods and services as measured by HCPI-COMESA increased by an average of **(+1.6%)** between **February 2015** and **January 2015**.

Using a particular or common currency, an item that cost an average of **100.00** cents in **January 2015** increased to **101.60** cents in **February 2015**.

Of the participating COMESA Member States, Malawi recorded the highest month on month inflation rate of **(+4.1%)** whilst Zimbabwe recorded the lowest change in average prices of **(-0.1%)** during the period under review.

Table 3;
Annual inflation rates (%) for main components of expenditure and HCPI-COMESA in **2015**

Year on Year (Y-O-Y) inflation rates in 2015 in the COMESA Member States and Region														
COMESA Region	Weights	Jan15 Jan14	Feb15 Feb14	Mar 15 Mar14	Apr 15 Apr14	May15 May14	Jun15 Jun14	Jul15 Jul14	Aug15 Aug14	Sept15 Sept14	Oct15 Oct14	Nov15 Nov14	Dec15 Dec14	2015 annual average
Food & non alcoholic Beverages	458.03	7.0	9.0											
Alcoholic Beverages & Tobacco	27.28	22.7	26.3											
Clothing & Footwear	56.50	5.1	7.5											
Housing, including utilities	162.35	10.5	12.3											
Household equipment	41.82	4.8	4.9											
Health	42.65	8.2	3.5											
Transport	57.89	11.2	11.1											
Communication	21.68	2.8	2.0											
Recreation and Culture	20.77	14.0	18.3											
Education	33.47	19.2	20.6											
Restaurants and Hotels	42.16	10.9	11.6											
Miscellaneous Goods and Services	35.39	4.1	4.8											
HCPI - COMESA	1000.0	8.9	9.8											

Based on the main components of expenditure, the Alcoholic Beverages & Tobacco Division registered the highest annual inflation rate of **(+26.3 %)** whilst the Communication Division recorded the least annual change of **(+2.0%)** in **February 2015**.

Table 4;
 Month on Month Inflation rates (%) for main components of expenditure in **2015**

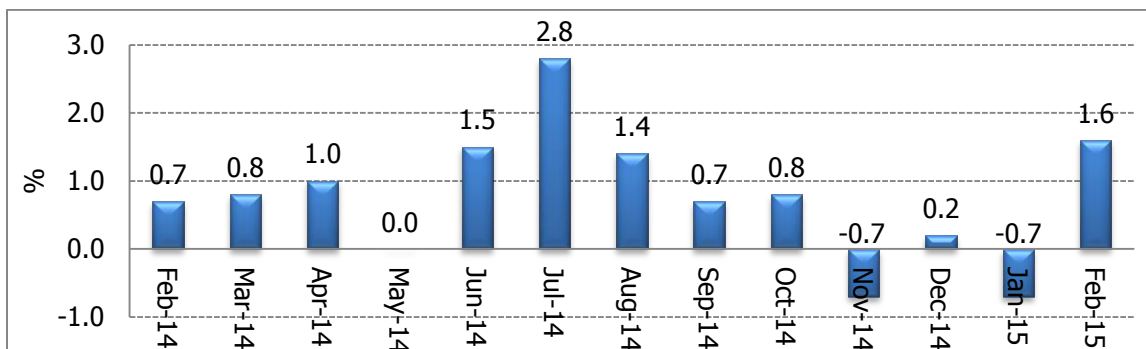
Month on Month inflation rates in 2013 in the COMESA Member States and Region													
COMESA Region	Weights	Jan15	Feb15	Mar 15	Apr 15	May15	Jun15	Jul15	Aug15	Sept15	Oct15	Nov15	Dec15
		Dec 14	Jan 15	Feb 15	Mar15	Apr 15	May15	Jun 15	Jul15	Aug15	Sep15	Oct15	Nov15
Food & non alcoholic Beverages	458.03	-0.5	2.0										
Alcoholic Beverages & Tobacco	27.28	0.8	7.0										
Clothing & Footwear	56.50	-3.6	1.3										
Housing, including utilities	162.35	2.1	2.4										
Household equipment	41.82	-2.2	1.0										
Health	42.65	-1.9	1.9										
Transport	57.89	-5.3	1.3										
Communication	21.68	-2.1	-0.5										
Recreation and Culture	20.77	-2.7	3.7										
Education	33.47	-0.3	2.1										
Restaurants and Hotels	42.16	-0.7	1.8										
Miscellaneous Goods and Services	35.39	-3.8	1.8										
HCPI - COMESA	1000.0	-0.7	1.6										

Of the twelve main components of expenditure that make up HCPI-COMESA, Alcoholic Beverages and Tobacco recorded the highest annual increase of **(+7.0%)** followed by Recreation and Culture at **(+3.7%)**.

HCPI-COMESA is country weighted; all items indices from the participating Member States are multiplied by corresponding country weights until all the participating countries are exhausted. The weighted product is divided by 100.00 to get HCPI-COMESA.

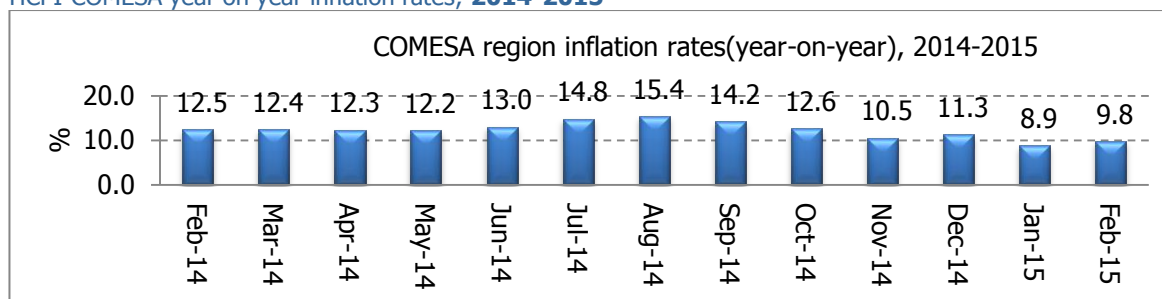
The HCPIs are in principle open for revision, in particular when improved data become available; hence they may change after the results are published.

Figure 3:
HCPI-COMESA month on month inflation rates, **2014-2015**



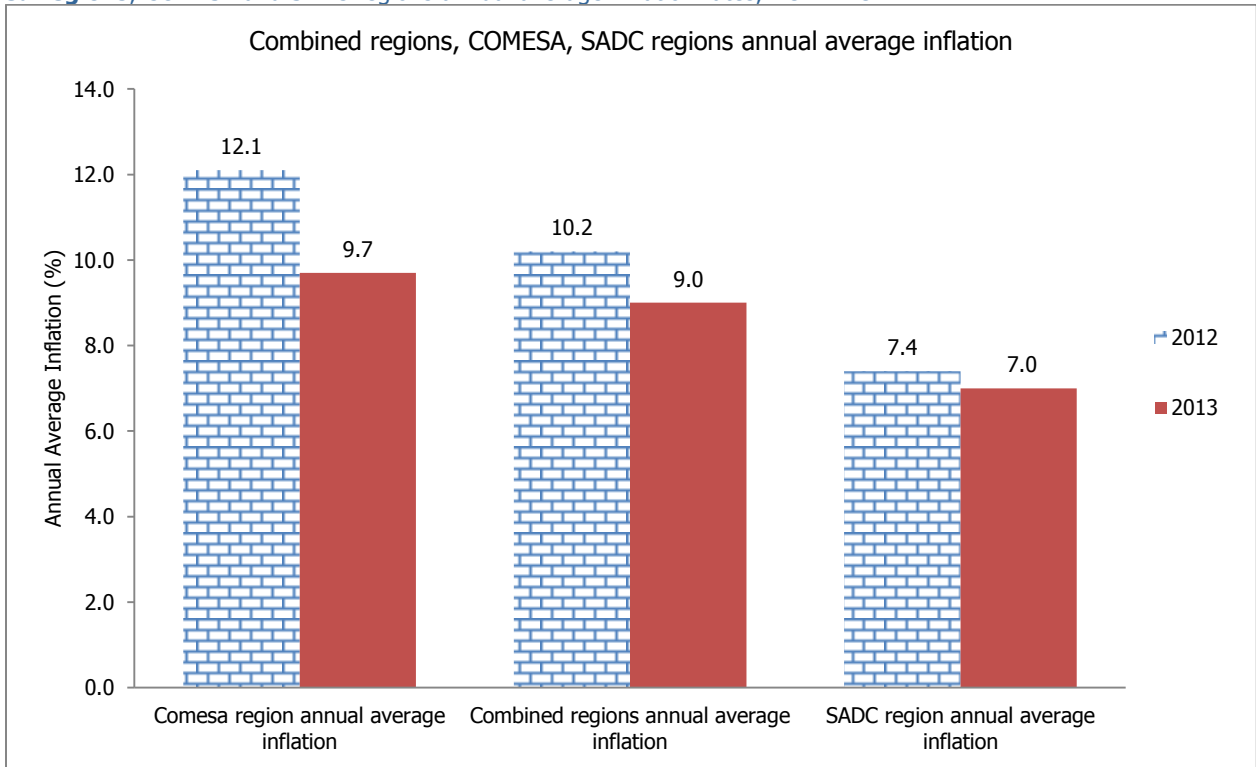
COMESA region month on month inflation rate as measured by HCPI-COMESA stood at **(+1.6%)** in **February 2015**, up from **(-0.7%)** recorded in **January 2015**. It was **(+0.7%)** in **January 2014**.

Figure 4:
HCPI-COMESA year on year inflation rates; **2014-2015**



The annual inflation rate as measured by HCPI-COMESA in the COMESA region stood at **(+9.8%)** in **February 2015**, up from **(+8.9%)** recorded in **January 2015**. It was **(+12.5%)** in **February 2014**.

Figure 5:
Combined regions; COMESA and SADC regions annual average inflation rates; 2012-2014



The annual average inflation rate for the **Combined regions (SADC and COMESA regions)** stood at **(+9.0%)** in **2013** compared to **(+10.2%)** in **2012**. The COMESA region registered relatively high annual average inflation rate of **(+9.7%)** in **2013** compared to **(+12.1%)** in **2012**. On the other hand the SADC region registered relatively lower annual average rates of **(+7.0%)** in **2013** and **(+7.4%)** in **2012**. Annual average inflation rate decreased in both regions and was relatively high in the COMESA region compared to the SADC region during the period under review.

Table 5:
HCPI-COMESA; Time Series data (December 2010 – latest period);

Year	HCPI-COMESA (December 2010=100)	COMESA region; month on month inflation rate	COMESA region; year on year inflation rate
Dec 2010	100.00		
2011	107.68		
2012	120.74		12.1
2013	132.49		9.7
2014	149.62		12.9
2011 January	101.71	1.7	
February	101.81	0.1	
March	104.28	2.4	
April	105.53	1.2	
May	106.07	0.5	
June	106.57	0.5	
July	108.14	1.5	
August	109.96	1.7	
September	111.41	1.3	
October	111.20	-0.2	
November	112.52	1.2	
December	113.00	0.4	12.9
2012 January	113.83	0.8	11.9
February	115.00	1.0	12.9
March	116.65	1.4	11.9
April	118.50	1.6	12.3
May	118.41	-0.1	11.6
June	120.29	1.6	12.9
July	121.44	1.0	12.3
August	123.51	1.7	12.3
September	125.13	1.3	12.2
October	125.86	0.6	13.2
November	124.86	-0.8	11.0
December	125.37	0.4	11.0
2013 January	124.29	-0.9	9.2
February	127.05	2.2	10.5
March	128.15	0.9	9.9
April	129.61	1.1	9.4
May	129.60	0.0	9.4
June	130.67	0.8	8.6
July	132.19	1.2	8.9

Year	HCPI-COMESA (December 2010=100)	COMESA region; month on month inflation rate	COMESA region; year on year inflation rate
August	133.33	0.9	8.0
September	135.72	1.8	8.5
October	138.84	2.3	10.3
November	140.52	1.2	12.5
December	139.76	-0.5	11.5
2014 January	141.91	1.5	14.1
February	142.95	0.7	12.5
March	144.04	0.8	12.4
April	145.53	1.0	12.3
May	145.48	0.0	12.2
June	147.64	1.5	13.0
July	151.68	2.8	14.8
August	153.88	1.4	15.4
September	155.04	0.7	14.2
October	156.37	0.9	12.6
November	155.29	-0.7	10.5
December	155.55	0.2	11.3
2015 January	154.53	-0.7	8.9
February	156.97	1.6	9.8

Table 5 shows HCPI-COMESA time series from December 2010 to the latest period, month on month and year on year inflation rates as well as annual average indices and corresponding annual average inflation rates.

Annual average HCPI-COMESA stood at **149.62** in **2014**, **132.49** in **2013**, **120.73** in **2012** and **112.94** in **2011**; this represents an annual average inflation rate of **(+12.1%)** in **2012**, **(+9.7%)** in **2013** and **12.9%** in **2014**.

Table 6:
HCPI-COMESA; Country Weights as at 2005 and 2009;

COMESA Member States	As at 2005	As at 2009	As at 2011
Burundi		0.45	0.47
Comoros ¹			
DRC	1.88	3.35	2.73
Djibouti			
Egypt	53.08	51.32	58.71
Eritrea			
Ethiopia	7.20	10.02	7.47
Kenya	8.67	8.09	6.65
Libya			
Madagascar	2.67	2.44	2.58
Malawi	1.36	1.10	1.39
Mauritius	1.86	1.58	1.33
Rwanda	1.10	1.36	1.32
Seychelles		0.11	0.09
Sudan	14.16	11.28	8.93
Swaziland	0.74	0.84	0.63
Uganda	4.34	4.70	4.08
Zambia	1.98	2.13	2.14
Zimbabwe	0.96	1.22	1.48
COMESA TOTAL	100.00	100.00	100.00

“Household Final Monetary Consumption Expenditure (HFMCCE) data expressed in national currencies shall be converted into purchasing power standards (PPS) using the most recent official purchasing power parities for final household consumption. The weights thus calculated shall be revised annually, provided the data are available”.

“The weight of a Member State shall be its proportion of household final monetary consumption expenditure (HFMCCE) within the scope of the HCPI, or its closest available approximation, in the COMESA total”

¹ The Member States without weights for 2011 are yet to compile and submit Country HCPIs on a monthly basis.

Table 7:
HCPI-COMESA; Main Components of Expenditure (Weights) as at 2005; 2009, 2014 and 2015;

COMESA Member States	As at 2005	As at 2009	As at 2014	As at 2015
Food and Nonalcoholic Beverages	531.80	465.94	465.42	458.03
Alcoholic Beverages and Tobacco	27.60	28.20	28.10	27.28
Clothing and Footwear	73.12	56.07	55.95	56.50
Housing, Water, Electricity, Gas and Other Fuels	102.73	158.68	158.23	162.35
Furnishings, Household Equipment and Routine Household Maintenance.	55.74	42. 51	42.57	41.82
Health ²		39.72	39.87	42.65
Transport	67.99	57.68	58.32	57.89
Communication	24.23	20.32	20.67	21.68
Recreation and Culture	19.22	20.72	20.74	20.77
Education		31.95	32.32	33.47
Restaurants and Hotels	58.71	42.68	42.21	42.16
Miscellaneous Goods and Services	38.86	35.51	35.59	35.39
COMESA TOTAL	1000.00	1000.00	1000.0	1000.00

Based on the revised country contributions based on the latest ICP the Food and Non Alcoholic Beverages Division has a weight of **458.11 parts per 1000.00** whilst the Recreation and Culture Division has the smallest weight of **20.77 parts per 1000.00**.

Based on the main expenditure components and as at **2005**, the Food and Non Alcoholic Beverages Division has the largest expenditure weight of **531.80 parts per 1000** whilst the Recreation and Culture Division has the smallest weight of **19.22 parts per 1000** in the **COMESA region**.

² The HCPI was Interim from December 2010 up to December 2012; health and education divisions were excluded in Stage 1 as part of the harmonization strategy. The same Divisions were included as from January 2013 into the computations of HCPI-COMESA.

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 Harmonized 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 harmonized 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;

HCPI-COMESA for	Publication date by COMESA Secretariat
March 2015	5 May 2015
April 2015	5 June 2015
May 2015	5 July 2015

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

Mr. Themba Munalula

Tel: +260211229725/32

Email: tmunalula@comesa.int

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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>