



HCPI – COMESA Monthly News Release

Common Market for Eastern and Southern Africa (COMESA)

Macroeconomic Indicators

COMESA region annual inflation rate stood at 8.9% in July 2013

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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 **8.9%** for the month of **July 2013**; up from **8.7%** registered in **June 2013**. A year earlier the rate was **12.3%**.

The month on month inflation rate in the COMESA region as measured by HCPI-COMESA stood at **1.2%** for the month of **July 2013** up from **0.9%** registered in **June 2013**. It was **1.0%** in **July 2012**.

HCPI-COMESA comprises of twelve divisions of expenditure. These divisions registered the following average price changes during the month of **June 2013** compared with **June 2012**.

Food & Non alcoholic Beverages (**+10.4%**); Alcoholic Beverages and Tobacco (**+7.3%**); Clothing and Footwear (**+12.6%**); Housing, Water, Electricity, Gas and Other Fuels (**+8.2%**); Furnishings, Household Equipment and Routine Household Maintenance (**+14.9%**); Transport (**+3.9%**); Communication (**+1.4%**); Recreation and Culture (**+13.6%**); Restaurants and Hotels (**+19.4%**); and Miscellaneous Goods and Services (**+6.9%**).

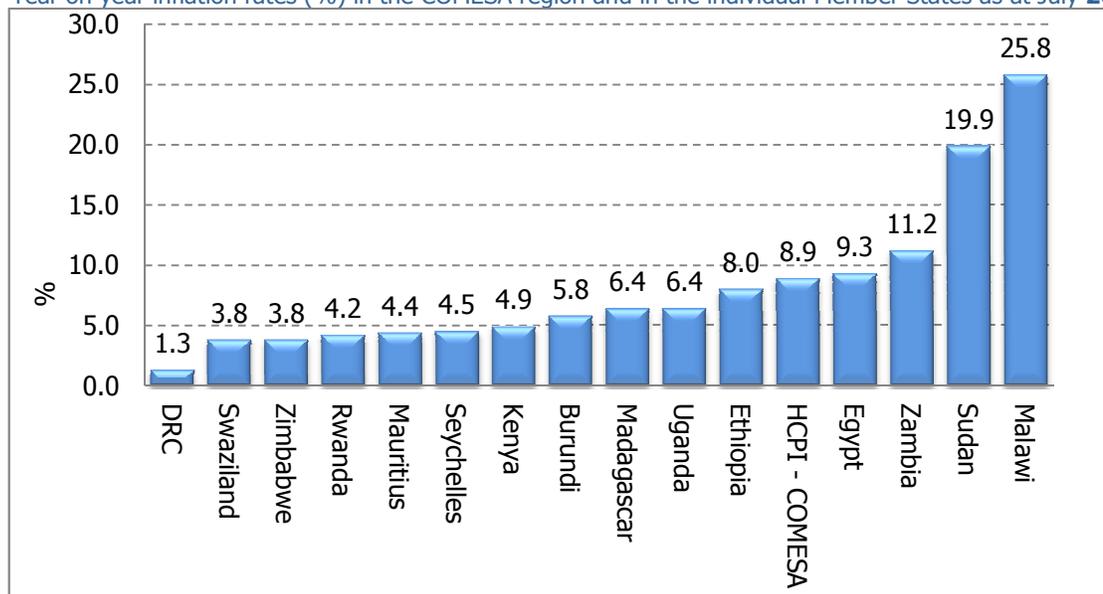
COMESA Member States annual inflation rates (%) as at July 2013

The participating Member States that contribute to HCPI-COMESA registered the following rates of total inflation in **July 2013** compared to **July 2012**.

Burundi(+5.8%);**Democratic Republic of Congo**(+1.3%);**Egypt**(+9.3%);**Ethiopia**(+8.0%);**Kenya**(+4.9%);**Madagascar**(+6.4%);**Malawi**(+25.8%);**Mauritius**(+4.4%);**Rwanda**(+4.2%);**Seychelles**(+4.5%);**Sudan**(+19.9%);**Swaziland**(+3.8%);**Uganda**(+6.4%);**Zambia**(+11.2%);and **Zimbabwe**(+3.8%).

In pages 1-7 we present HCPI-COMESA, Country HCPIs, Main Components of Expenditure, year on year, and month on month inflation rates for the latest and previous year. Also presented are the annual average inflation rates for the period between 2011 and 2012. In pages 8-9 we present the movements in month on month and year on year inflation rates for the period 2012-2013 as measured by HCPI-COMESA.

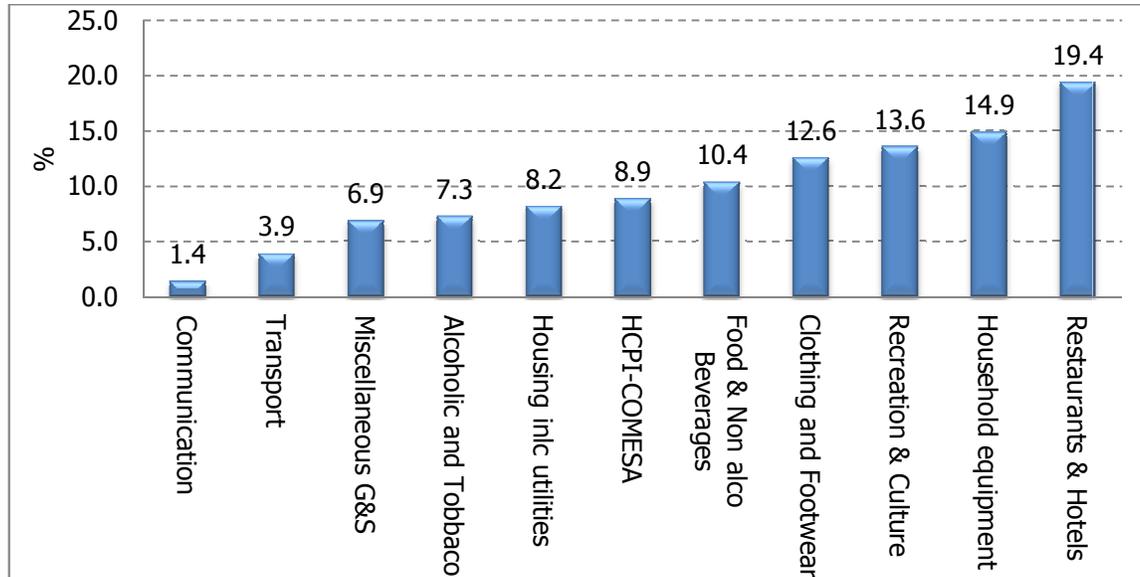
Figure 1:
Year on year inflation rates (%) in the COMESA region and in the individual Member States as at July 2013



Malawi recorded the highest year on year inflation rate of **(+25.8%)** followed by Sudan with an annual inflation rate of **(+19.9%)** whilst DRC recorded the lowest rate of **(+1.3%)** in July 2013.

Figure 2:

Average HCPI-COMESA and Main Components of Expenditure (Divisions) year on year inflation rates as at July 2013



Based on the main components of expenditure, the Restaurants and Hotels Division registered the highest annual inflation rate of **(+19.4%)** whilst the Communication Division recorded the lowest annual inflation rate of **(+1.4%)**.

Table 1:
Annual (Year on Year) Inflation rates (%) for each Member State, measured by country HCPIs and HCPI-COMESA in **2013**

| Year on Year (Y-O-Y) inflation rates in 2013 in the COMESA Member States and COMESA Region | | | | | | | | | | | | | |
|--|---------------|------------|-------------|------------|------------|------------|------------|------------|-------|--------|-------|-------|-------|
| COMESA Member States | Weights | Jan13 | Feb13 | Mar 13 | Apr 13 | May13 | Jun13 | Jul13 | Aug13 | Sept13 | Oct13 | Nov13 | Dec13 |
| | | Jan12 | Feb12 | Mar12 | Apr12 | May12 | Jun12 | Jul12 | Aug12 | Sept12 | Oct12 | Nov12 | Dec12 |
| Burundi | 0.45 | 13.9 | 2.3 | 1.5 | 2.0 | 6.9 | 8.7 | 5.8 | | | | | |
| Comoros | | | | | | | | | | | | | |
| DRC | 3.35 | 1.6 | 2.8 | 1.7 | 1.4 | 1.5 | 1.5 | 1.3 | | | | | |
| Djibouti | | | | | | | | | | | | | |
| Egypt | 51.32 | 4.8 | 6.4 | 5.2 | 5.5 | 6.0 | 8.6 | 9.3 | | | | | |
| Eritrea | | | | | | | | | | | | | |
| Ethiopia | 10.02 | 12.3 | 13.6 | 10.6 | 12.7 | 16.0 | 5.4 | 8.0 | | | | | |
| Kenya | 8.09 | 2.2 | 3.1 | 3.5 | 3.0 | 2.7 | 3.7 | 4.9 | | | | | |
| Libya | | | | | | | | | | | | | |
| Madagascar | 2.44 | 5.6 | 5.3 | 5.0 | 4.5 | 4.7 | 5.6 | 6.4 | | | | | |
| Malawi | 1.10 | 36.2 | 41.7 | 43.0 | 41.8 | 32.9 | 28.7 | 25.8 | | | | | |
| Mauritius | 1.58 | 6.1 | 6.3 | 5.6 | 2.9 | 4.6 | 4.0 | 4.4 | | | | | |
| Rwanda | 1.36 | 5.8 | 4.7 | 3.2 | 4.3 | 4.0 | 4.6 | 4.2 | | | | | |
| Seychelles | 0.11 | 6.8 | 7.0 | 7.4 | 6.1 | 5.3 | 4.8 | 4.5 | | | | | |
| Sudan | 11.28 | 37.6 | 39.5 | 41.9 | 37.4 | 34.5 | 22.6 | 19.9 | | | | | |
| Swaziland | 0.84 | 7.5 | 7.2 | 6.4 | 3.4 | 3.6 | 3.0 | 3.8 | | | | | |
| Uganda | 4.70 | 3.8 | 3.5 | 3.9 | 2.7 | 3.8 | 4.8 | 6.4 | | | | | |
| Zambia | 2.13 | 5.9 | 7.1 | 7.7 | 7.8 | 8.5 | 10.2 | 11.2 | | | | | |
| Zimbabwe | 1.22 | 5.7 | 5.6 | 5.2 | 5.0 | 4.8 | 4.1 | 3.8 | | | | | |
| HCPI - COMESA | 100.00 | 9.2 | 10.5 | 9.9 | 9.4 | 9.4 | 8.7 | 8.9 | | | | | |

As measured by HCPI-COMESA, COMESA region year on year inflation rate stood at **(+8.9%)** in **July 2013**.

It means that the prices of goods and services as measured by HCPI-COMESA increased by an average of **(+8.9%)** in the COMESA region between **July 2012** and **July 2013**. Using a particular or common currency, an item that cost an average of **100.00** cents in **July 2012** increased to **108.90** cents in **July 2013**.

Of the **fifteen** participating Member States, **seven** registered increases in annual inflation in **July 2013** whilst **eight** Member States recorded decreases in annual inflation during the same period.

Table 2:
Annual (Year on Year) Inflation rates and annual averages in (%) for each Member State, measured by country HCPIs and HCPI-COMESA in **2012**

| Year on Year (Y-O-Y) inflation and annual averages rates in 2012 in the COMESA Member States and COMESA Region | | | | | | | | | | | | | | |
|--|---------------|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|---------------------|
| COMESA Member States | Weights | Jan12 Jan11 | Feb12 Feb11 | Mar 12 Mar11 | Apr 12 Apr11 | May12 May11 | Jun12 Jun11 | Jul12 Jul11 | Aug12 Aug11 | Sept12 Sept11 | Oct12 Oct11 | Nov12 Nov11 | Dec12 Dec11 | 2012 annual average |
| Burundi | | 14.5 | 26.0 | 31.4 | 28.8 | 27.4 | 25.0 | 24.9 | 22.8 | 20.8 | 21.3 | 18.0 | 17.6 | 23.1 |
| Comoros | | | | | | | | | | | | | | |
| DRC | 1.88 | 20.7 | 19.8 | 20.3 | 19.1 | 17.9 | 14.5 | 13.2 | 9.7 | 4.9 | 3.7 | 4.2 | 3.6 | 12.2 |
| Djibouti | | | | | | | | | | | | | | |
| Egypt | 53.08 | 10.3 | 11.5 | 10.8 | 10.9 | 9.4 | 7.7 | 6.4 | 6.8 | 8.0 | 8.8 | 4.3 | 4.6 | 8.1 |
| Eritrea | | | | | | | | | | | | | | |
| Ethiopia | 7.20 | -1.7 | 2.8 | -3.0 | -2.7 | -3.3 | 8.7 | 12.4 | 11.4 | 11.4 | 13.9 | 17.3 | 15.3 | 6.8 |
| Kenya | 8.67 | 17.4 | 15.9 | 14.7 | 12.2 | 11.3 | 9.4 | 7.2 | 5.5 | 4.7 | 3.4 | 2.4 | 2.0 | 8.6 |
| Libya | | | | | | | | | | | | | | |
| Madagasc | 2.67 | 7.1 | 5.4 | 6.3 | 7.7 | 8.5 | 8.0 | 7.7 | 7.7 | 7.8 | 7.3 | 6.8 | 5.5 | 7.1 |
| Malawi | 1.36 | 11.1 | 10.4 | 10.5 | 13.6 | 16.6 | 18.9 | 17.0 | 20.7 | 23.9 | 25.3 | 27.8 | 28.3 | 18.8 |
| Mauritius | 1.86 | 5.0 | 1.9 | 1.9 | 2.1 | 1.8 | 2.7 | 2.4 | 2.5 | 2.6 | 4.7 | 4.4 | 4.5 | 3.1 |
| Rwanda | 1.10 | 8.8 | 9.2 | 9.4 | 7.8 | 7.9 | 6.0 | 5.6 | 6.0 | 6.3 | 6.7 | 5.6 | 4.2 | 6.9 |
| Seychelles | | 4.4 | 4.7 | 4.9 | 6.1 | 7.3 | 7.8 | 7.8 | 7.3 | 7.3 | 7.2 | 6.2 | 5.8 | 6.4 |
| Sudan | 14.16 | 20.1 | 22.0 | 22.3 | 25.7 | 27.5 | 38.0 | 39.6 | 39.8 | 38.1 | 42.0 | 42.9 | 42.2 | 33.8 |
| Swaziland | 0.74 | 10.2 | 11.0 | 9.5 | 10.4 | 9.7 | 10.1 | 9.8 | 10.0 | 9.0 | 10.2 | 9.1 | 8.2 | 9.8 |
| Uganda | 4.34 | 27.2 | 27.2 | 22.7 | 21.6 | 19.2 | 17.3 | 13.8 | 10.4 | 3.2 | 2.1 | 2.8 | 3.2 | 13.4 |
| Zambia | 1.98 | 3.0 | 2.7 | 1.9 | 4.1 | 4.5 | 3.8 | 2.4 | 4.0 | 4.3 | 4.3 | 3.7 | 4.9 | 3.6 |
| Zimbabwe | 0.96 | -1.9 | -0.3 | 0.8 | 1.4 | 2.0 | 2.8 | 2.6 | 2.8 | 3.8 | 4.5 | 4.5 | 4.8 | 2.3 |
| HCPI - COMESA | 100.00 | 11.9 | 12.9 | 11.9 | 12.3 | 11.6 | 12.9 | 12.3 | 12.3 | 12.2 | 13.2 | 11.0 | 11.0 | 12.1 |

Table 2 shows **year on year inflation rates** for the participating Member States and COMESA Region for the period January 2012 to December 2012.

The last column of **Table 2** also shows **annual average inflation rates** for individual Member States and COMESA Region in 2012. The same annual averages are shown in **Figure 3**.

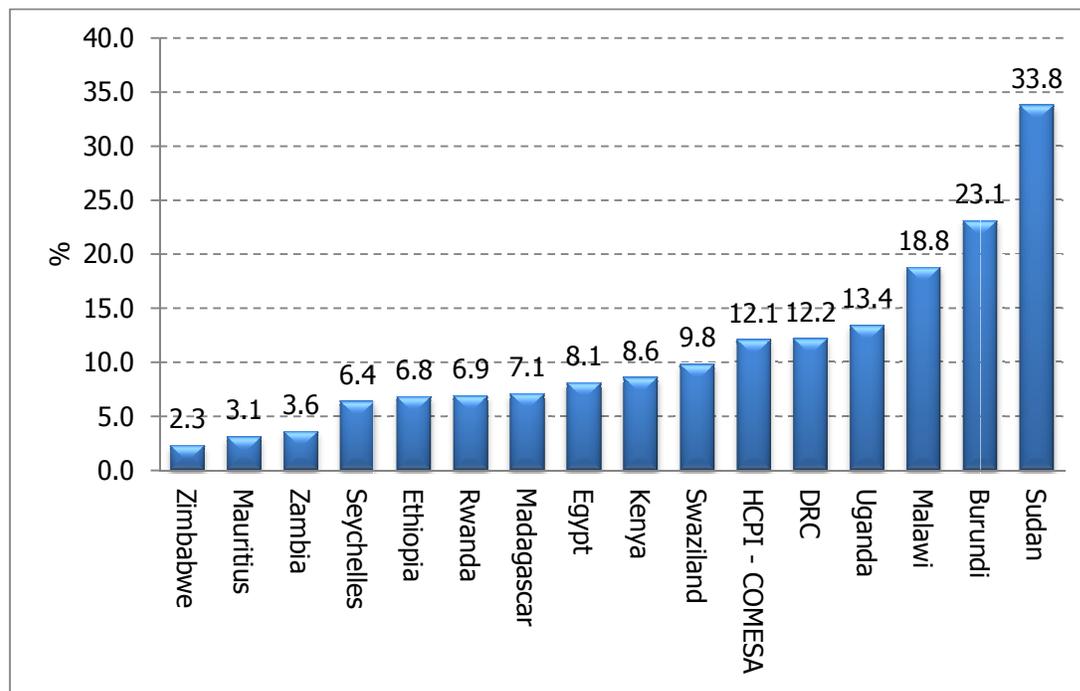
COMESA Region annual average inflation rate stood at **(+12.1%)** in **2012**.

It means that the prices of goods and services as measured by HCPI-COMESA increased by an average of **(+12.1%)** between **2011** and **2012**.

Of the participating COMESA Member States, Sudan recorded the highest annual average inflation rate of **(+33.8%)** followed by Burundi at **(+23.1%)**.

Zimbabwe recorded the lowest annual average inflation rate of **(+2.3%)** during the same period. More details are given in **Figure 3** below.

Figure 3:
Annual Average Inflation Rates in the COMESA Member States and COMESA Region; **2012**



COMESA Region annual average inflation rate stood at **(+12.1%)** in **2012** compared to **2011**.

Of the participating Member States, Sudan registered the highest annual average inflation rate of **(+33.8%)**, followed by Burundi at **(+23.1%)** whilst Malawi was third at **(+18.8%)**.

Zimbabwe registered the lowest annual average inflation rate of **(+2.3%)** with Mauritius at **(+3.1%)** and Zambia at **(+3.6%)**.

Five participating COMESA Member States registered annual average inflation rates above the COMESA Region annual average inflation rate of **(+12.1%)**. The list includes the Democratic Republic of Congo **(+12.2%)**; Uganda **(+13.4%)**; Malawi **(+18.8%)**; Burundi **(+23.1%)**; and Sudan **(+33.8%)**.

Ten participating COMESA Member States registered annual average inflation rates below the COMESA Region annual average rate. The list includes; Zimbabwe **(+2.3%)**; Mauritius **(+3.1%)**; Zambia **(+3.6%)**; Seychelles **(+6.4%)**; Ethiopia **(+6.8%)**; Rwanda **(+6.9%)**; Madagascar **(+7.1%)**; Egypt **(+8.1%)**; Kenya **(+8.6%)** and Swaziland **(+9.8%)**.

Table 3:
Month on Month inflation rates in (%) for each Member State, measured by country HCPIs and HCPI-COMESA in 2013

| Month on Month inflation rates in (%) for each Member State, as measured by country HCPIs and HCPI-COMESA in 2013 | | | | | | | | | | | | | |
|---|---------------|-------------|------------|------------|------------|------------|------------|------------|-------|--------|-------|-------|-------|
| COMESA Region | Weights | Jan13 | Feb13 | Mar 13 | Apr 13 | May13 | Jun13 | Jul13 | Aug13 | Sept13 | Oct13 | Nov13 | Dec13 |
| | | Dec 12 | Jan 13 | Feb 13 | Mar13 | Apr 13 | May13 | Jun 13 | Jul13 | Aug13 | Sep13 | Oct13 | Nov13 |
| Burundi | 0.45 | -1.3 | 2.0 | 1.2 | 1.0 | 5.1 | 0.0 | -1.9 | | | | | |
| Comoros | | | | | | | | | | | | | |
| DRC | 3.35 | 0.1 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | | | | | |
| Djibouti | | | | | | | | | | | | | |
| Egypt | 51.32 | 0.4 | 2.8 | 0.8 | 1.8 | -0.4 | 0.9 | 0.7 | | | | | |
| Eritrea | | | | | | | | | | | | | |
| Ethiopia | 10.02 | -1.7 | 1.6 | -0.6 | 0.0 | 2.3 | -0.6 | 3.1 | | | | | |
| Kenya | 8.09 | 0.4 | 0.7 | 1.0 | 0.9 | 0.0 | 0.1 | 0.1 | | | | | |
| Libya | | | | | | | | | | | | | |
| Madagascar | 2.44 | 1.3 | 0.4 | 0.6 | 0.1 | 0.2 | 0.5 | 0.5 | | | | | |
| Malawi | 1.10 | 7.3 | 5.6 | 0.6 | 0.0 | -3.3 | -0.9 | -2.0 | | | | | |
| Mauritius | 1.58 | 1.6 | -1.2 | -0.3 | -2.0 | -0.8 | -0.6 | 0.1 | | | | | |
| Rwanda | 1.36 | 1.0 | 0.2 | 0.8 | 2.1 | 0.0 | 0.2 | -0.2 | | | | | |
| Seychelles | 0.11 | 1.1 | 0.6 | 0.6 | 0.2 | 0.7 | 0.2 | 0.2 | | | | | |
| Sudan | 11.28 | -0.2 | 3.1 | 2.3 | 0.8 | 0.7 | 1.3 | 3.0 | | | | | |
| Swaziland | 0.84 | 2.0 | 0.7 | -0.9 | -0.9 | 0.2 | 0.0 | 0.7 | | | | | |
| Uganda | 4.70 | 0.5 | 0.8 | 0.6 | 1.2 | 0.1 | -0.4 | 0.5 | | | | | |
| Zambia | 2.13 | 2.1 | 1.3 | 1.0 | 0.6 | 1.0 | 1.3 | 1.5 | | | | | |
| Zimbabwe | 1.22 | 1.6 | 0.7 | 0.6 | 0.0 | -0.2 | -0.1 | -0.4 | | | | | |
| HCPI - COMESA | 100.00 | -0.9 | 2.2 | 0.9 | 1.1 | 0.0 | 0.9 | 1.2 | | | | | |

As measured by HCPI-COMESA, COMESA region month on month inflation rate stood at **(+1.2%)** in **July 2013**. It was **(+0.9%)** in **June 2013** and **(+1.0%)** in **July 2012**.

It means that the prices of goods and services as measured by HCPI-COMESA increased by an average of **(+1.2%)** between **July 2013** and **June 2013**. Using a particular or common currency, an item that cost an average of **100.00** cents in **June 2013** increased to **101.20** cents in **July 2013**.

Of the participating COMESA Member States, Ethiopia recorded the highest month on month inflation rate of **(+3.1%)** followed by Sudan at **(+3.0%)**. Malawi recorded the least month on month inflation rate of **(-2.0%)**.

Table 4:
Month on Month inflation rates in (%) for each Member State, measured by country HCPIs and HCPI-COMESA in 2012

| Month on Month inflation rates in (%) for each Member State, as measured by country HCPIs and HCPI-COMESA in 2012 | | | | | | | | | | | | | |
|---|---------------|-----------------|-----------------|------------------|-----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|----------------|----------------|
| COMESA Region | Weights | Jan12 Dec 11 | Feb12 Jan 12 | Mar 12 Feb 12 | Apr 12 Mar12 | May12 Apr 12 | Jun12 May12 | Jul12 Jun 12 | Aug12 Jul12 | Sept12 Aug12 | Oct12 Sep12 | Nov12 Oct12 | Dec12 Nov12 |
| Burundi | | 2.0 | 13.5 | 2.0 | 0.5 | 0.3 | -1.9 | 0.6 | -1.2 | 0.8 | 1.7 | -0.6 | -0.4 |
| Comoros | | | | | | | | | | | | | |
| DRC | 1.88 | 2.1 | -0.9 | 1.2 | 0.3 | 0.1 | 0.2 | 0.3 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Djibouti | | | | | | | | | | | | | |
| Egypt | 53.08 | 0.2 | 1.3 | 1.9 | 1.6 | -0.9 | -1.5 | 0.1 | 1.7 | 2.3 | 0.4 | -2.3 | -0.2 |
| Eritrea | | | | | | | | | | | | | |
| Ethiopia | 7.20 | 1.0 | 0.5 | 2.0 | -1.9 | -0.6 | 10.7 | 0.6 | -0.2 | 3.1 | 0.2 | 0.1 | -0.6 |
| Kenya | 8.67 | 0.1 | -0.2 | 1.3 | 0.8 | 0.2 | -0.8 | -1.0 | -0.2 | 0.2 | 0.5 | 0.6 | 0.4 |
| Libya | | | | | | | | | | | | | |
| Madagasc | 2.67 | 1.2 | 0.8 | 0.9 | 0.6 | 0.0 | -0.4 | -0.2 | 0.2 | 0.4 | 0.5 | 0.6 | 0.9 |
| Malawi | 1.36 | 1.0 | 1.5 | -0.3 | 0.8 | 3.2 | 2.4 | 0.3 | 3.7 | 3.6 | 2.5 | 3.1 | 3.5 |
| Mauritius | 1.86 | 0.1 | -1.4 | 0.4 | 0.6 | -2.4 | -0.1 | -0.3 | 0.2 | -0.1 | 2.4 | 1.4 | 3.8 |
| Rwanda | 1.10 | -0.6 | 1.2 | 2.3 | 1.0 | 0.3 | -0.4 | 0.1 | 0.5 | 0.4 | 1.3 | -0.6 | -1.4 |
| Seychelles | | 0.1 | 0.4 | 0.3 | 1.4 | 1.5 | 0.7 | 0.5 | 0.1 | 0.3 | 0.1 | 0.1 | 0.1 |
| Sudan | 14.16 | 3.1 | 1.6 | 0.6 | 4.1 | 2.9 | 11.1 | 5.5 | 4.1 | -0.7 | 0.9 | 1.0 | 1.9 |
| Swaziland | 0.74 | 2.7 | 1.0 | -0.2 | 2.0 | 0.0 | 0.6 | -0.1 | 1.0 | -0.8 | 2.0 | -0.4 | 0.2 |
| Uganda | 4.34 | 0.0 | 1.2 | 0.2 | 2.0 | -1.0 | -1.3 | -0.6 | 0.5 | 0.2 | 0.6 | 0.8 | 0.6 |
| Zambia | 1.98 | 1.2 | 0.2 | 0.4 | 0.5 | 0.3 | -0.3 | 0.6 | 0.8 | 0.7 | -0.5 | -0.8 | 0.8 |
| Zimbabwe | 0.96 | 0.8 | 0.8 | 1.0 | 0.1 | -0.1 | 0.6 | -0.1 | -0.1 | 0.7 | 0.6 | 0.3 | 0.2 |
| HCPI - COMESA | 100.00 | 0.8 | 1.0 | 1.4 | 1.6 | -0.1 | 1.6 | 1.0 | 1.7 | 1.3 | 0.6 | -0.8 | 0.4 |

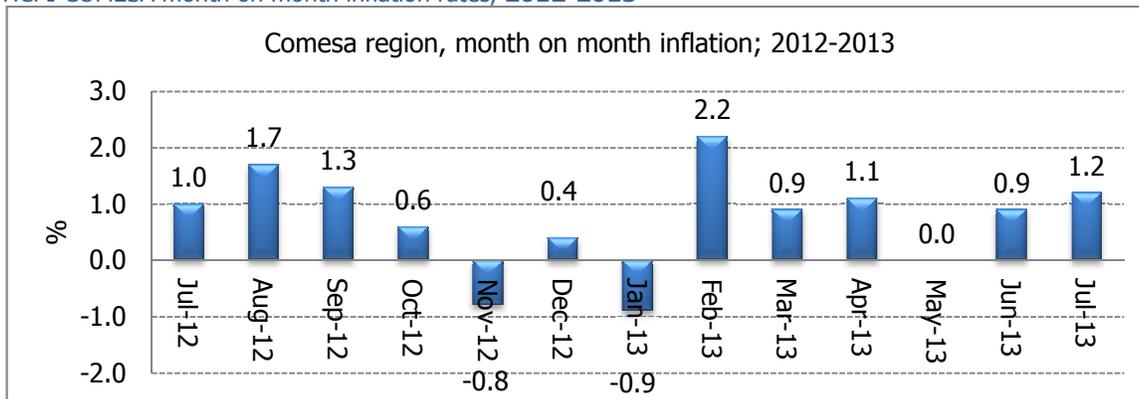
Table 4 shows month on month inflation rates across the participating Member States in the COMESA Region that contribute to HCPI-COMESA from **January to December 2012**.

COMESA Region month on month inflation rate as measured by HCPI-COMESA peaked at **(+1.7%)** during the month of **August 2012** whilst the lowest rate was recorded in **November 2012** at **(-0.8%)** during the same year.

COMESA Region month on month inflation rates as measured by HCPI-COMESA are also shown below in **Figure 4**.

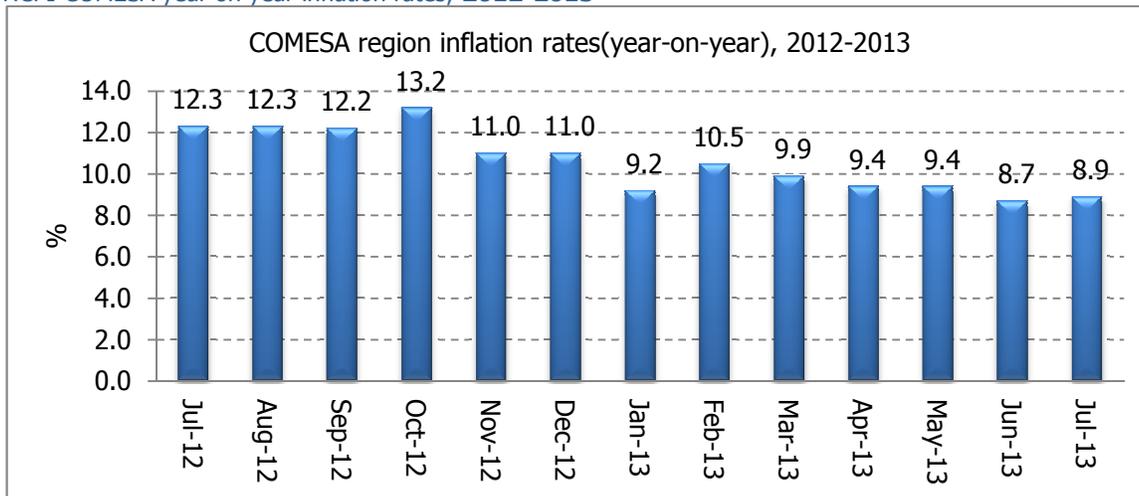
HCPI-COMESA is country weighted; all items indices from the participating Member States are multiplied by corresponding country weights until all the participating countries are exhausted. The weighted product is divided by 100.00 to get HCPI-COMESA.

Figure 4:
HCPI-COMESA month on month inflation rates, **2012-2013**



COMESA region month on month inflation rate as measured by HCPI-COMESA stood at **(+1.2%)** in **July 2013**, up from **(0.9%)** recorded in **June 2013**. It was **(+1.0%)** in **July 2012**.

Figure 5:
HCPI-COMESA year on year inflation rates; **2012-2013**



The annual inflation rate as measured by HCPI-COMESA in the COMESA region stood at **(+8.9%)** in **July 2013**, marginally up from **(+8.7%)** recorded in **June 2013**. It was **(+12.3%)** in **July 2012**.

The relationship between the COMESA region **July 2013** month on month inflation rate and **July 2012** rate determines the direction of year on year inflation in **July 2013** relative to **June 2013**.

Given the **July 2013** month on month inflation rate of **(+1.2%)** compared to the **June 2012** rate of **(+1.0%)**, it follows that the COMESA region year on year inflation rate for **July 2013** was computed off a lower base. This explains a marginal rise in year on year inflation rate to **(+8.9%)** in **July 2013** up from **(+8.7%)** recorded in **June 2013** as shown in **Figures 4 and 5** above.

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

*In **pages 10-14**; we present HCPI-COMESA by main components of expenditure. We also present the latest year on year inflation rates, month on month rates, recent year rates and annual average inflation rates for the period 2011 to 2012.*

Table 5;
Annual inflation rates (%) for main components of expenditure and HCPI-COMESA in **2013**

| Year on Year (Y-O-Y) inflation rates in 2013 in the COMESA Member States and Region | | | | | | | | | | | | | | |
|---|---------------|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|---------------------------|
| COMESA Region | Weights | Jan13 Jan12 | Feb13 Feb12 | Mar 13 Mar12 | Apr 13 Apr12 | May13 May12 | Jun13 Jun12 | Jul13 Jul12 | Aug13 Aug12 | Sept13 Sept12 | Oct13 Oct12 | Nov13 Nov12 | Dec13 Dec12 | 2013 annual average |
| Food & non alcoholic Beverages | 465.94 | 9.6 | 10.4 | 10.0 | 9.4 | 9.1 | 9.8 | 10.4 | | | | | | |
| Alcoholic Beverages & Tobacco | 28.20 | 8.9 | 9.6 | 9.5 | 8.3 | 8.1 | 7.9 | 7.3 | | | | | | |
| Clothing & Footwear | 56.07 | 10.9 | 12.8 | 13.4 | 14.8 | 14.1 | 13.2 | 12.6 | | | | | | |
| Housing, including utilities | 158.68 | 7.4 | 6.3 | 2.4 | 5.1 | 7.9 | 6.4 | 8.2 | | | | | | |
| Household equipment | 42.51 | 11.0 | 12.7 | 13.2 | 13.9 | 13.2 | 11.2 | 14.9 | | | | | | |
| Health ¹ | 39.72 | | | | | | | | | | | | | |
| Transport | 57.68 | 11.3 | 13.2 | 13.6 | 13.3 | 12.9 | 3.7 | 3.9 | | | | | | |
| Communication | 20.32 | 6.9 | 5.9 | 7.0 | 6.9 | 6.0 | 7.1 | 1.4 | | | | | | |
| Recreation and Culture | 20.72 | 9.6 | 13.5 | 13.7 | 13.3 | 13.2 | 10.3 | 13.6 | | | | | | |
| Education | 31.95 | | | | | | | | | | | | | |
| Restaurants and Hotels | 42.68 | 8.4 | 20.4 | 20.1 | 20.4 | 21.0 | 20.6 | 19.4 | | | | | | |
| Miscellaneous Goods and Services | 35.51 | 8.8 | 9.6 | 10.7 | 10.0 | 9.8 | 7.6 | 6.9 | | | | | | |
| HCPI - COMESA | 1000.0 | 9.2 | 10.5 | 9.9 | 9.4 | 9.4 | 8.7 | 8.9 | | | | | | |

Based on the main expenditure components, the Restaurants and Hotels Division registered the highest annual inflation rate of **(+19.4%)** in **July 2013** followed by Furnishings, Household Equipment and Routine Household Maintenance at **(+14.9%)**.

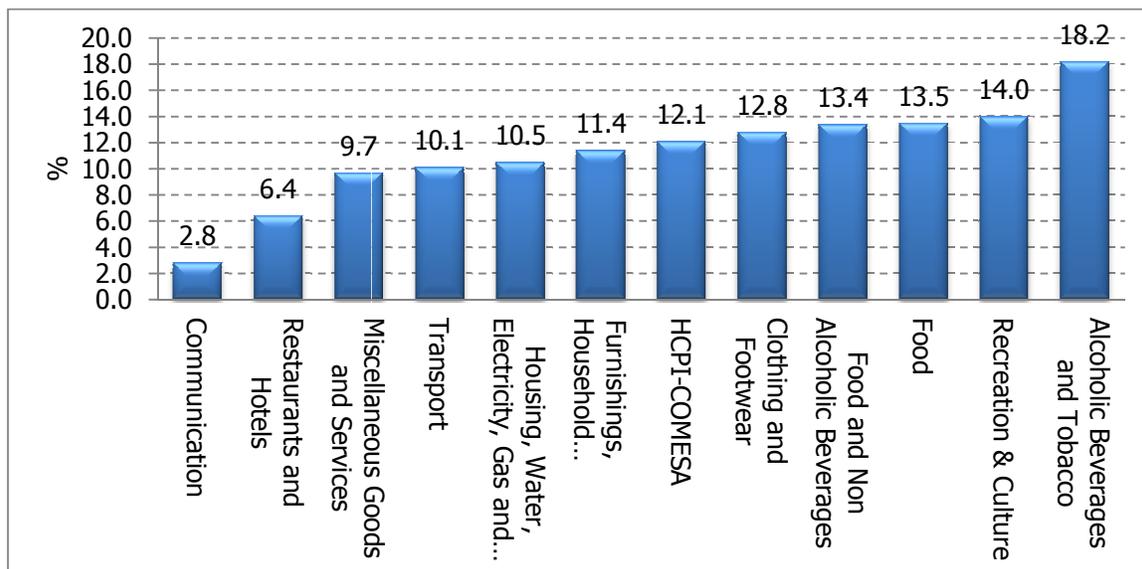
¹ It will only be possible to compute year on year (annual inflation rates) for health and education divisions as from January 2014 given that the two expenditure components were introduced into HCPI-COMESA computations as from January 2013, the beginning of Stage 2 HCPI Regulations implementation. This is part of the harmonization strategy set out in the HCPI Harmonization Roadmap approved in December 2008.

Table 6;
Annual inflation rates (%) and annual averages for the main components of expenditure and HCPI-COMESA in 2012

| Year on Year (Y-O-Y) inflation rates in 2013 in the COMESA Member States and Region | | | | | | | | | | | | | | |
|---|---------------|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|---------------------------|
| COMESA Region | Weights | Jan12 Jan11 | Feb12 Feb11 | Mar 12 Mar11 | Apr 12 Apr11 | May12 May11 | Jun12 Jun11 | Jul12 Jul11 | Aug12 Aug11 | Sept12 Sept11 | Oct12 Oct11 | Nov12 Nov11 | Dec12 Dec11 | 2012 annual average |
| Food & non alcoholic Beverages | 531.80 | 14.4 | 16.0 | 13.2 | 13.8 | 13.8 | 14.7 | 13.5 | 13.2 | 13.1 | 13.2 | 11.3 | 11.3 | 13.4 |
| Alcoholic Beverages & Tobacco | 27.60 | 26.7 | 26.9 | 27.3 | 28.2 | 24.7 | 18.9 | 14.2 | 13.6 | 13.4 | 14.2 | 8.5 | 8.8 | 18.2 |
| Clothing & Footwear | 73.12 | 10.8 | 11.8 | 12.1 | 12.5 | 11.8 | 12.8 | 13.4 | 14.2 | 12.8 | 14.2 | 13.6 | 14.1 | 12.8 |
| Housing, including utilities | 102.73 | 11.4 | 12.2 | 15.7 | 12.9 | 7.8 | 7.8 | 6.5 | 6.2 | 11.0 | 18.5 | 8.7 | 8.1 | 10.5 |
| Household equipment | 55.74 | 9.1 | 9.4 | 9.3 | 9.5 | 9.9 | 12.4 | 12.9 | 13.8 | 12.4 | 12.7 | 12.3 | 12.9 | 11.4 |
| Health | | | | | | | | | | | | | | |
| Transport | 67.99 | 5.2 | 5.2 | 5.0 | 4.9 | 4.6 | 13.9 | 13.6 | 14.8 | 13.5 | 13.7 | 13.2 | 12.7 | 10.1 |
| Communication | 24.23 | -1.3 | -2.3 | 0.6 | 0.7 | 0.5 | 0.4 | 3.1 | 6.3 | 6.8 | 5.7 | 6.3 | 7.1 | 2.8 |
| Recreation and Culture | 19.22 | 10.6 | 11.4 | 11.5 | 11.3 | 11.7 | 12.9 | 14.2 | 18.2 | 15.6 | 16.0 | 16.2 | 17.6 | 14.0 |
| Education | | | | | | | | | | | | | | |
| Restaurants and Hotels | 58.71 | 3.9 | 4.5 | 4.9 | 5.2 | 5.2 | 6.4 | 7.3 | 7.5 | 6.7 | 8.2 | 8.3 | 8.3 | 6.4 |
| Miscellaneous Goods and Services | 38.86 | 7.7 | 8.5 | 7.7 | 8.9 | 8.9 | 10.2 | 11.2 | 10.8 | 9.9 | 11.1 | 10.7 | 10.7 | 9.7 |
| HCPI - COMESA | 1000.0 | 11.9 | 12.9 | 11.9 | 12.3 | 11.6 | 12.9 | 12.3 | 12.3 | 12.2 | 13.2 | 11.0 | 11.0 | 12.1 |

Based on the main expenditure components, the Alcoholic Beverages and Tobacco Division recorded the highest annual average inflation rate of **(+18.2%)** followed by the Recreation and Culture Division at **(+14.0%)**. The Communication Division recorded the lowest annual average inflation rate of **(+2.8%)** during the same period. **Figure 5 below** shows more details on annual average inflation rates for the main expenditure components for the period between **2011** and **2012**.

Figure 5:
Annual Average Inflation Rates in the COMESA Region and by type of Main Expenditure Components; **2012**



Between **2011** and **2012**, four main HCPI-COMESA expenditure components registered annual average inflation rates above the COMESA Region annual average rate whilst six main expenditure components registered annual average inflation rates below **(+12.1%)**.

The **Food Group** that falls under the Food and Non Alcoholic Beverages Division registered an annual average inflation rate of **(+13.5%)**. This means that Food prices as measured by HCPI-COMESA increased by an average of **(+13.5%)** between **2011** and **2012** in the COMESA Region.

The Alcoholic Beverages and Tobacco Division registered the highest annual average inflation rate of **(+18.2%)**, followed by the Recreation and Culture Division with an annual average rate of **(+14.0%)**; whilst the Food and Non Alcoholic Beverages Division had the third highest annual average inflation rate of **(+13.4%)**.

The Communication Division whose prices are largely administered in most participating Member States registered the lowest annual average inflation rate of **(+2.8%)**. The Restaurants and Hotels Division recorded the second lowest annual average inflation rate of **(+6.4%)** whilst the "Miscellaneous Goods and Services" Division registered the third lowest annual average inflation rate of **(+9.7%)**.

Table 7;
 Month on Month Inflation rates (%) for main components of expenditure in **2013**

| Month on Month inflation rates in 2013 in the COMESA Member States and Region | | | | | | | | | | | | | |
|---|---------------|-------------|------------|------------|------------|------------|------------|------------|-------|--------|-------|-------|-------|
| COMESA Region | Weights | Jan13 | Feb13 | Mar 13 | Apr 13 | May13 | Jun13 | Jul13 | Aug13 | Sept13 | Oct13 | Nov13 | Dec13 |
| | | Dec 12 | Jan 13 | Feb 13 | Mar13 | Apr 13 | May13 | Jun 13 | Jul13 | Aug13 | Sep13 | Oct13 | Nov13 |
| Food & non alcoholic Beverages | 465.94 | -0.1 | 2.4 | 1.4 | 1.9 | -0.4 | 1.6 | 1.3 | | | | | |
| Alcoholic Beverages & Tobacco | 28.20 | 2.6 | 0.8 | 0.4 | 0.1 | 0.1 | 0.6 | 0.2 | | | | | |
| Clothing & Footwear | 56.07 | -0.9 | 1.4 | 1.2 | 1.8 | 0.2 | 0.6 | 0.4 | | | | | |
| Housing, including utilities | 158.68 | -4.3 | 0.5 | -0.4 | 0.6 | 0.4 | -1.0 | 0.5 | | | | | |
| Household equipment | 42.51 | -0.3 | 2.0 | 1.1 | 1.3 | 0.6 | 1.1 | 0.5 | | | | | |
| Health | 39.72 | | 7.2 | 0.3 | 0.5 | 0.5 | 0.7 | 4.7 | | | | | |
| Transport | 57.68 | -2.0 | 1.7 | 1.2 | 0.1 | -0.3 | 0.0 | 0.0 | | | | | |
| Communication | 20.32 | -0.2 | -0.9 | 1.4 | 0.0 | -0.3 | 0.8 | 0.6 | | | | | |
| Recreation and Culture | 20.72 | -3.4 | 3.8 | 0.4 | 0.1 | 0.5 | -1.3 | 0.4 | | | | | |
| Education | 31.95 | | 0.2 | 0.0 | 0.2 | 0.5 | -0.1 | 4.9 | | | | | |
| Restaurants and Hotels | 42.68 | 0.2 | 11.5 | 0.7 | 0.5 | 0.7 | 1.2 | -0.1 | | | | | |
| Miscellaneous Goods and Services | 35.51 | -1.0 | 1.4 | 1.1 | 0.7 | 0.2 | 0.1 | 0.2 | | | | | |
| HCPI - COMESA | 1000.0 | -0.9 | 2.2 | 0.9 | 1.1 | 0.0 | 0.9 | 1.2 | | | | | |

Of the twelve main components of expenditure that make up HCPI-COMESA, the Education Division recorded the highest month on month inflation rate of **(+4.9%)** whilst the Health Division was second at **(+4.7%)** in **July 2013**. The Restaurants and Hotels Division recorded the least average change of **(-0.1%)**.

Table 8;
Month on Month inflation rates (%) for main components of expenditure in 2012

| Month on Month inflation rates in 2012 in the COMESA Member States and Region | | | | | | | | | | | | | |
|---|----------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|-------------|------------|
| COMESA Region | Weights | Jan12 | Feb12 | Mar 12 | Apr 12 | May12 | Jun12 | Jul12 | Aug12 | Sept12 | Oct12 | Nov12 | Dec12 |
| | | Dec 11 | Jan 12 | Feb 12 | Mar12 | Apr 12 | May12 | Jun 12 | Jul12 | Aug12 | Sep12 | Oct12 | Nov12 |
| Food & non alcoholic Beverages | 531.80 | 1.4 | 1.6 | 1.8 | 2.5 | -0.1 | 0.9 | 0.9 | 2.2 | 1.2 | -0.6 | -1.3 | 0.2 |
| Alcoholic Beverages & Tobacco | 27.60 | 2.5 | 0.2 | 0.5 | 1.2 | 0.4 | 0.7 | 0.8 | 0.1 | 0.3 | 0.7 | 0.5 | 0.7 |
| Clothing & Footwear | 73.12 | 1.9 | -0.2 | 0.6 | 0.5 | 0.9 | 1.4 | 1.0 | 2.4 | 0.6 | 1.7 | 1.5 | 1.1 |
| Housing, including utilities | 102.73 | -3.7 | 1.6 | 3.3 | -1.9 | -2.2 | 0.4 | -1.2 | 0.3 | 6.6 | 8.6 | -2.8 | -0.4 |
| Household equipment | 55.74 | 1.4 | 0.5 | 0.6 | 0.7 | 1.2 | 2.9 | 1.4 | 1.3 | 0.2 | 0.7 | 0.6 | 0.7 |
| Health | | | | | | | | | | | | | |
| Transport | 67.99 | -0.8 | 0.0 | 0.9 | 0.4 | 0.1 | 8.9 | 0.5 | 1.3 | 0.4 | 0.4 | 0.1 | 0.4 |
| Communication | 24.23 | 0.0 | 0.0 | 0.4 | 0.1 | 0.5 | -0.2 | 6.1 | -0.4 | -0.2 | -0.6 | 0.5 | 0.9 |
| Recreation and Culture | 19.22 | 3.7 | 0.2 | 0.3 | 0.5 | 0.6 | 1.3 | 1.9 | 3.3 | 0.8 | 1.7 | 0.4 | 1.7 |
| Education | | | | | | | | | | | | | |
| Restaurants and Hotels | 58.71 | 0.2 | 0.4 | 1.0 | 0.3 | 0.1 | 1.6 | 1.2 | 0.5 | 0.3 | 1.6 | 0.4 | 0.5 |
| Miscellaneous Goods and Services | 38.86 | 0.7 | 0.7 | 0.0 | 1.3 | 0.4 | 2.1 | 1.1 | 1.2 | 0.7 | 0.6 | 0.5 | 0.7 |
| HCPI - COMESA | 1000.00 | 0.8 | 1.0 | 1.4 | 1.6 | -0.1 | 1.6 | 1.0 | 1.7 | 1.3 | 0.6 | -0.8 | 0.4 |

Table 8 shows average changes in month on month inflation rate for main components of expenditure for the period **January 2012** to **December 2012**. Also shown at the bottom of the same Table are the HCPI-COMESA average months on month inflation rates for the same period.

In pages 15-16; we present HCPI-COMESA in time series format from December 2010 to the latest period for convenience, also shown in the same Table are the annual average indices and corresponding annual average inflation rates.

Table 9:
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 |
| 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 | 120.28 | 1.6 | 12.9 |
| July | 121.45 | 1.0 | 12.3 |
| August | 123.52 | 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 | 130.72 | 0.9 | 8.7 |
| July | 132.23 | 1.2 | 8.9 |
| August | | | |
| September | | | |

| Year | HCPI-COMESA (December 2010=100) | COMESA region; month on month inflation rate | COMESA region; year on year inflation rate |
|----------|------------------------------------|---|---|
| October | | | |
| November | | | |
| December | | | |

Table 9 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 **120.75** in **2012** compared to **107.68** in **2011**; this represents an annual average inflation rate of **(+12.1%)** between **2011** and **2012**.

In pages 17-19; we present background information underlying HCPI-COMESA, the country weights, main expenditure weights, broader background notes and where HCPI-COMESA can be viewed from time to time.

Table 10:
HCPI-COMESA; Country Weights as at 2005 and 2009;

| COMESA Member States | As at 2005 | As at 2009 |
|----------------------|---------------|---------------|
| Burundi | | 0.45 |
| Comoros ² | | |
| DRC | 1.88 | 3.35 |
| Djibouti | | |
| Egypt | 53.08 | 51.32 |
| Eritrea | | |
| Ethiopia | 7.20 | 10.02 |
| Kenya | 8.67 | 8.09 |
| Libya | | |
| Madagascar | 2.67 | 2.44 |
| Malawi | 1.36 | 1.10 |
| Mauritius | 1.86 | 1.58 |
| Rwanda | 1.10 | 1.36 |
| Seychelles | | 0.11 |
| Sudan | 14.16 | 11.28 |
| Swaziland | 0.74 | 0.84 |
| Uganda | 4.34 | 4.70 |
| Zambia | 1.98 | 2.13 |
| Zimbabwe | 0.96 | 1.22 |
| COMESA TOTAL | 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”

Using the above approach and data for **2009** from the International Comparison Program (ICP Africa), Egypt has the largest country weight of **51.32%** whilst Sudan has a weight of **11.28%** and Seychelles has the smallest share of **0.11%** as shown in **Table 10**.

² The Member States without weights for 2009 are yet to compile and submit Country HCPIs on a monthly basis.

Table 11:
HCPI-COMESA; Main Components of Expenditure (Weights) as at 2005 and 2009;

| COMESA Member States | As at 2005 | As at 2009 |
|---|-------------------|-------------------|
| Food and Non alcoholic Beverages | 531.80 | 465.94 |
| Alcoholic Beverages and Tobacco | 27.60 | 28.20 |
| Clothing and Footwear | 73.12 | 56.07 |
| Housing, Water, Electricity, Gas and Other Fuels | 102.73 | 158.68 |
| Furnishings, Household Equipment and Routine Household Maintenance. | 55.74 | 42. 51 |
| Health ³ | | 39.72 |
| Transport | 67.99 | 57.68 |
| Communication | 24.23 | 20.32 |
| Recreation and Culture | 19.22 | 20.72 |
| Education | | 31.95 |
| Restaurants and Hotels | 58.71 | 42.68 |
| Miscellaneous Goods and Services | 38.86 | 35.51 |
| COMESA TOTAL | 1000.00 | 1000.00 |

Based on the 2009 data from ICP Africa, the Food and Non Alcoholic Beverages Division has a weight of **465.94 parts per 1000.00** whilst the Communication Division has the smallest weight of **20.32 parts per 1000.00**. The Food group that falls under the Food and Non Alcoholic Beverages Division has a weight of **443.36 parts per 1000.00; (44.36%)**.

As at 2009, on average for every dollar spent on consumer goods and services for final use in the COMESA Region, consistently with the definition of HFMCE, **44.36 cents** was spent on food and **55.64 cents** on non-food.

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**.

The main expenditure components weights shown in **Table 11** are derived using country weights shown in **Table 10** and country specific main expenditure components weights supplied by the participating Member States every January as and when they change. The main components of expenditure supplied by the participating countries are not shown here.

The country specific main expenditure components weights are multiplied by specific country weights across all the participating countries, the weighted total in each case (for a particular main expenditure component) is divided by the COMESA Region total to give weights (shares) shown above.

³ 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 |
|------------------------|---|
| August 2013 | 5 October 2013 |
| September 2013 | 6 November 2013 |
| October 2013 | 6 December 2013 |

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