



## SACU Inflation Report

November 2010

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## Global Inflation Rates

### UK

The annual inflation rate rose to 3.3 percent in November 2010 from 3.2 percent in the preceding month. For the eleventh consecutive month, the annual inflation rate remained above the Bank of England's inflation target of 2.0 percent.

### Euro Area

The annual inflation rate remained unchanged at 1.9 percent during November 2010. The annual rate recorded for November 2010 was within the European Central Bank inflation target of below but close to 2.0 percent.

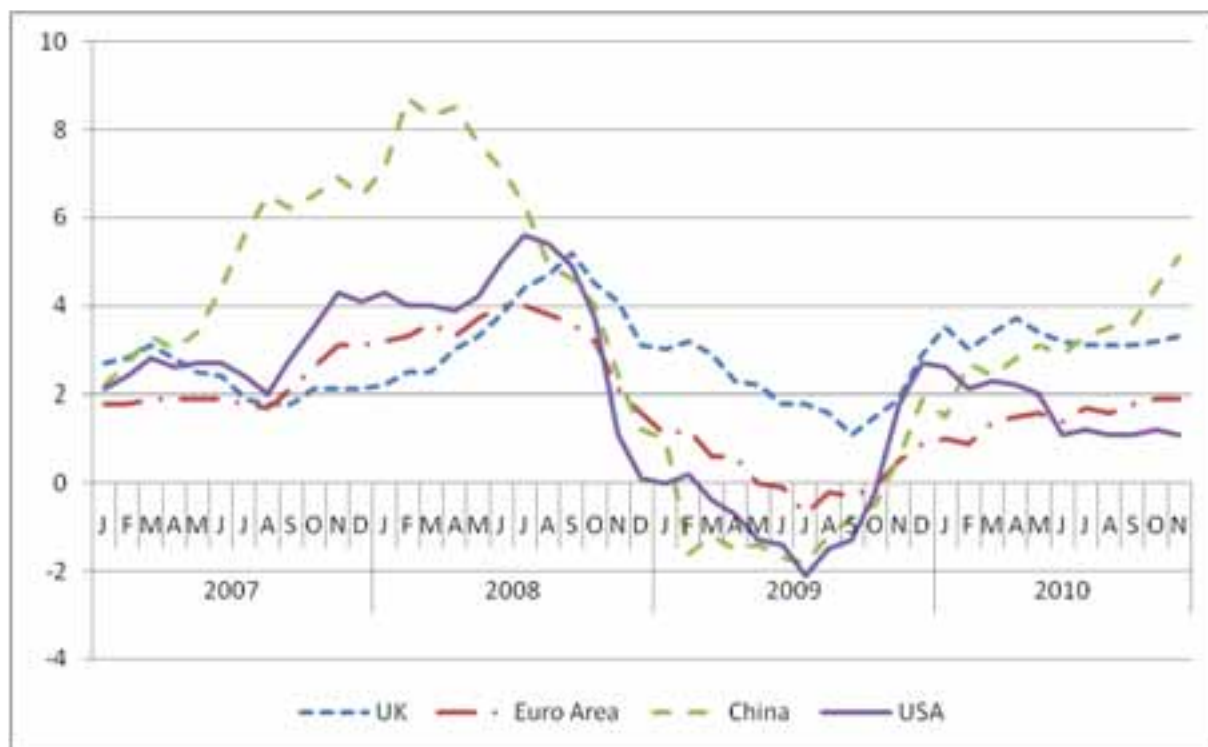
### China

The annual inflation rate rose to 5.1 percent during November 2010 from 4.4 percent in the preceding month. Food prices went up by 11.7 percent, while non food prices went up by 1.9 percent. The annual inflation rate for November 2010 was above the Government's inflation target of 3.0 percent.

### USA

The annual inflation rate was 1.1 percent in November 2010, down from 1.2 percent in the preceding month. The inflation rate registered during November 2010 was below the Central Bank's long term inflation estimate of 2.0 percent.

Chart 1 Annual inflation rates



Source: tradingeconomics.com

## Inflation Rates in SACU Member States

Member States registered mixed inflation results during November 2010 when compared to the preceding month. Botswana registered a lower inflation rate for November 2010 compared to the preceding month, while Lesotho's inflation rate for November 2010 remained constant. The rest of the SACU Member States registered an increase in inflation rates.

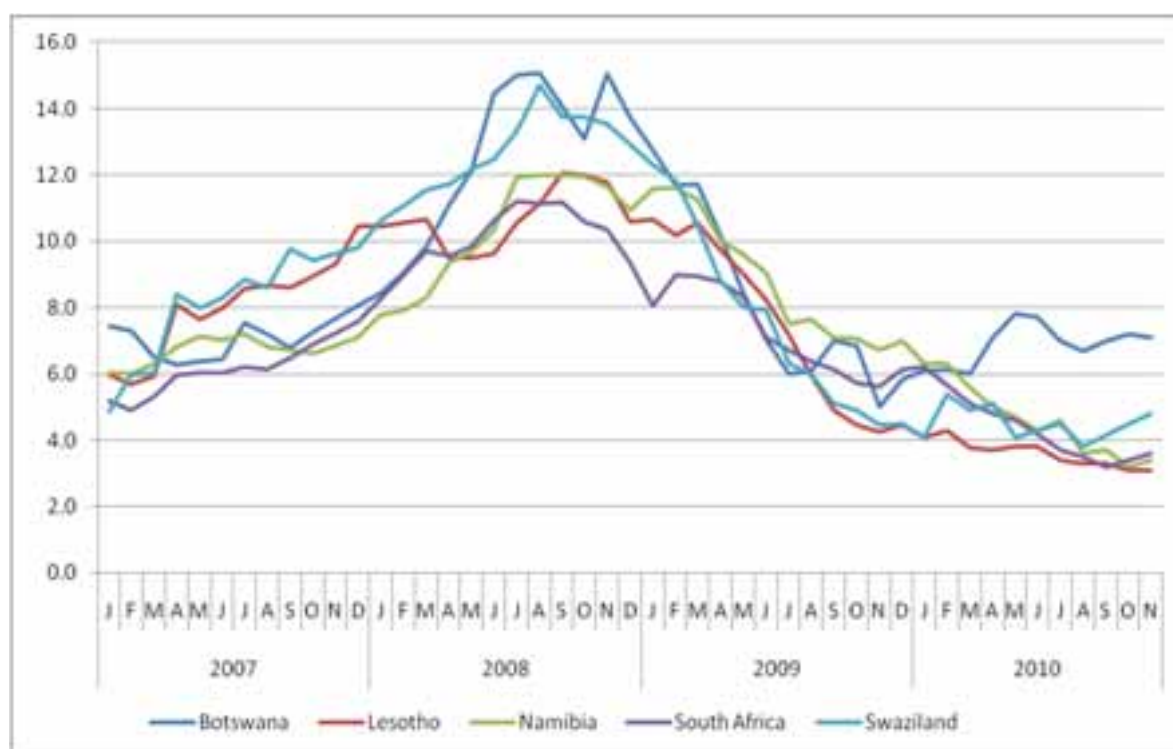
Botswana continues to register the highest annual inflation rate among the Member States; registering an inflation rate of 7.1 percent in November 2010 followed by Swaziland at 4.8 percent. The lowest annual inflation rate was observed in Lesotho (3.1 percent).

**Table 1** Annual inflation rate (%)

	Botswana	Lesotho	Namibia	South Africa	Swaziland
October 2010	7.2	3.1	3.2	3.4	4.5
November 2010	7.1	3.1	3.4	3.6	4.8

All Member States continued to record single digit annual inflation rates, going back to the second half of 2009.

**Chart 2** Annual inflation rate

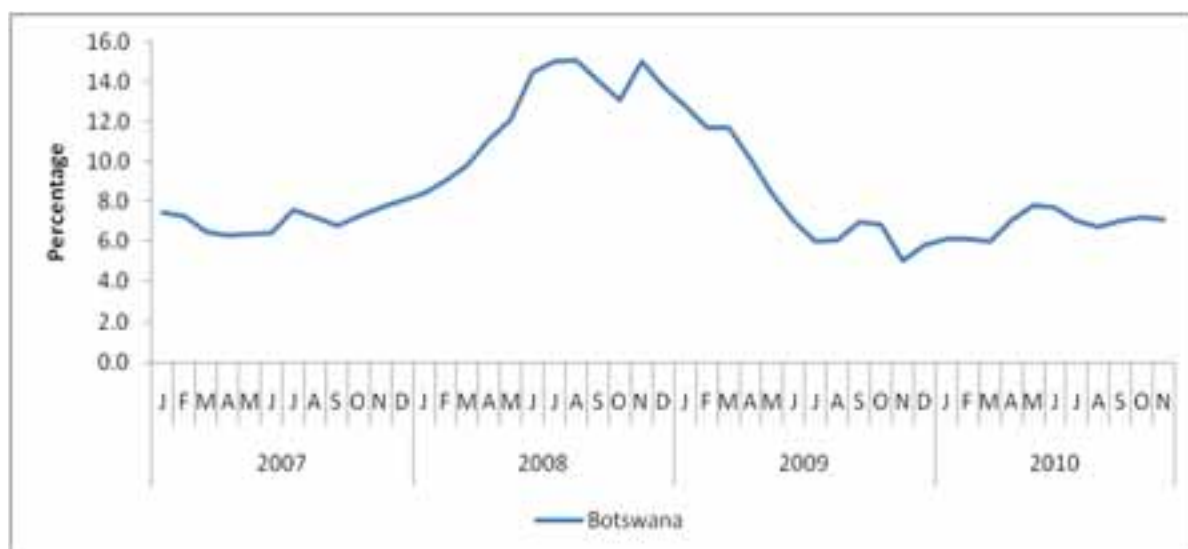


Source: Member States Statistics Offices

### **Botswana**

The annual inflation rate for November 2010 was 7.1 percent, remaining above the inflation target range of 3-6 percent set out by Bank of Botswana. The annual inflation rate for November 2010 was higher than the 5.0 percent recorded during the same month in 2009.

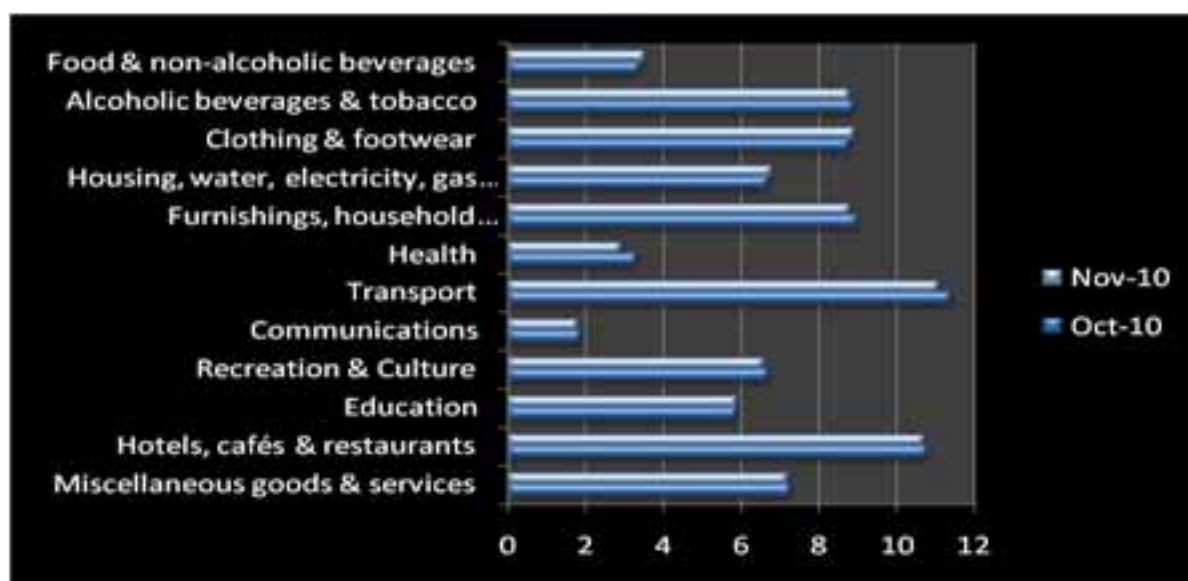
Chart 3 Annual Inflation Rate



Source: Central Statistics Office of Botswana

Performances by the five (5) major commodity groups in the consumer basket were as follows: *Food & non-alcoholic beverages* (with a weight of 21.84 percent in the consumer basket) recorded an annual rate of 3.5 percent in November 2010 compared to 3.4 percent in the preceding month; *transport* (with a weight of 18.98 percent in the consumer basket) recorded an annual rate of 11.1 percent in November 2010, down from 11.4 percent recorded in the preceding month; *housing, water, electricity, gas and other fuels* (with a weight of 11.46 percent in the consumer basket) recorded an annual rate of 6.8 percent in November 2010 compared to 6.7 percent recorded in October 2010; *miscellaneous goods and services* (with a weight of 9.57 percent in the consumer basket) recorded an annual rate of 7.2 percent in November 2010 compared to 7.3 percent recorded in the preceding month; *alcohol beverages and tobacco* (with a weight of 9.29 percent in the consumer basket) recorded an annual rate of 8.8 percent in November 2010 compared to 8.9 percent a month earlier.

Chart 4 Inflation by main categories



Source: Central Statistics Office of Botswana

## Lesotho

The annual inflation rate remained at 3.1 percent during November 2010. The annual inflation rate for November 2010 was lower than the 4.2 percent recorded during the corresponding month in 2009.

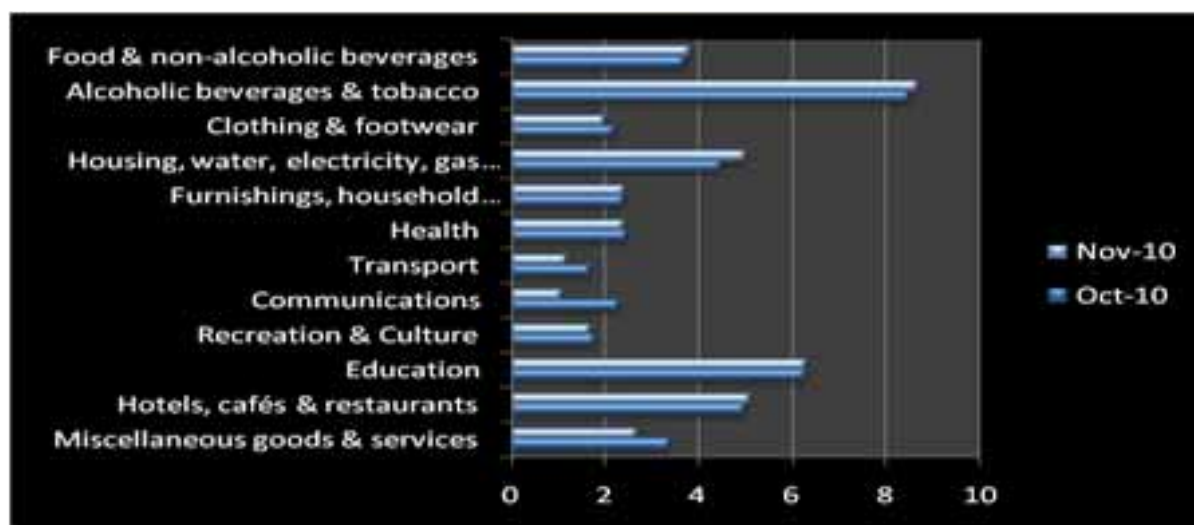
**Chart 5 Annual Inflation Rate**



Source: Bureau of Statistics of Lesotho

Performances by the five (5) major commodity groups in the consumer basket were as follows: *Food & non-alcoholic beverages* (with a weight of 38.14 percent in the consumer basket) recorded an annual rate of 3.8 percent in November 2010, which was slightly higher than the 3.7 percent for October 2010; *clothing & footwear* (with a weight of 17.43 percent in the consumer basket) recorded an annual rate of 2.0 percent in November 2010, down from the 2.2 percent recorded a month earlier; *housing, water, electricity, gas and other fuels* (with a weight of 10.60 percent in the consumer basket) recorded an annual rate of 5.0 percent in November 2010 compared to 4.5 percent a month earlier; *furnishings, household equipment & routine maintenance* (with a weight of 9.42 percent in the consumer basket) recorded an annual rate of 2.4 percent in November 2010, same as the preceding month; *transport* (with a weight of 8.47 percent in the consumer basket) recorded an annual rate of 1.2 percent in November 2010 compared to 1.7 percent a month earlier.

**Chart 6 Inflation by main categories**

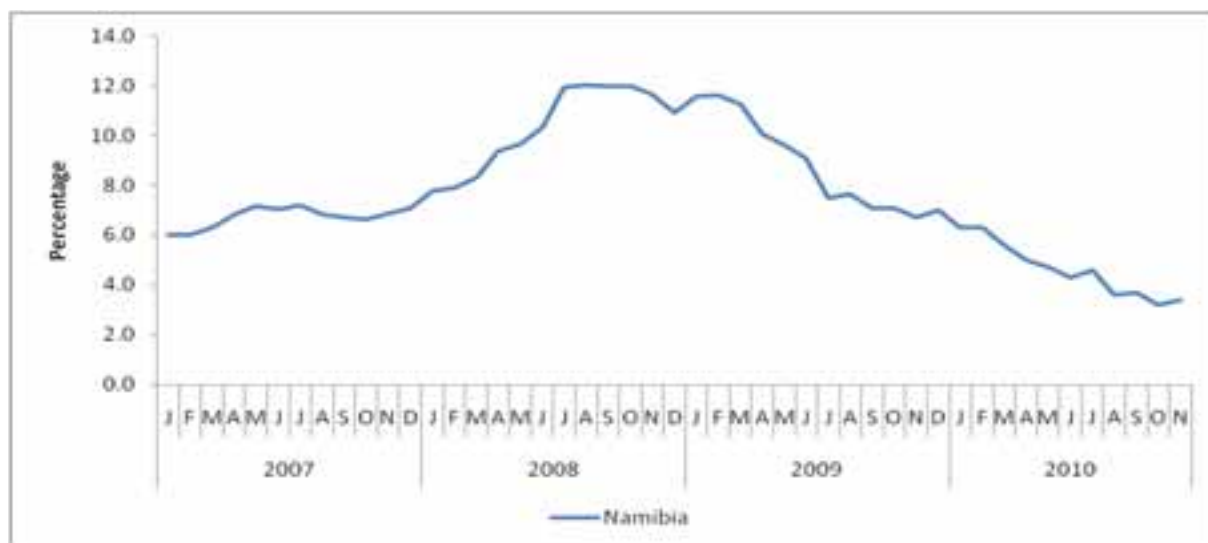


Source: Bureau of Statistics of Lesotho

## Namibia

The annual inflation rate was 3.4 percent during November 2010 compared to 3.2 percent recorded in the preceding month. The annual inflation rate for November 2010 was significantly lower than the 6.7 percent recorded during the same month in 2009.

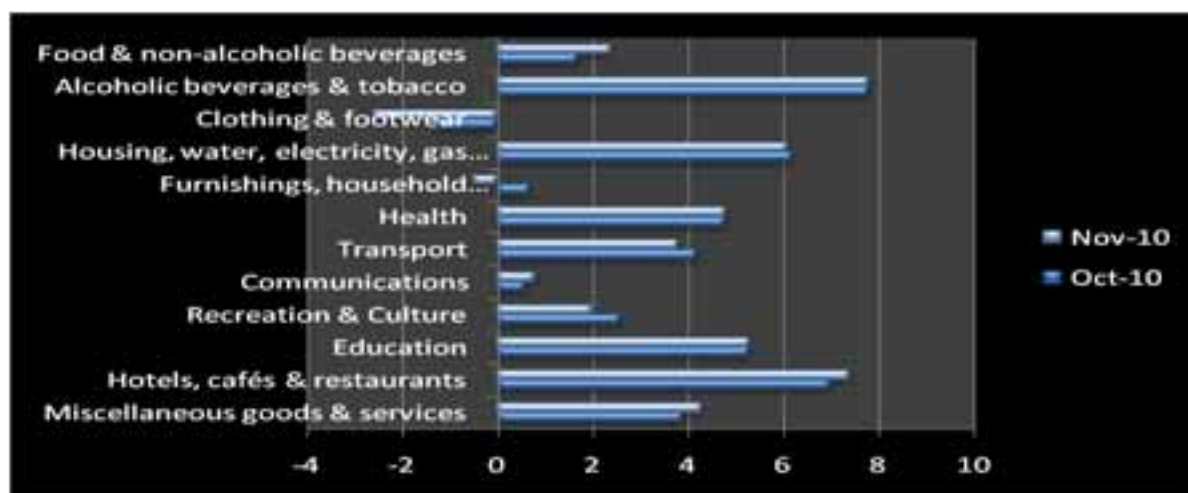
Chart 7 Annual Inflation Rate



Source: Namibia's Central Bureau of Statistics

Performances by the five (5) major commodity groups in the consumer basket were as follows: *Food & non-alcoholic beverages (with a weight of 29.63 percent in the consumer basket)* recorded an annual rate of 2.4 percent in November 2010 from 1.7 percent a month earlier; *housing, water, electricity, gas & other fuels (with a weight of 20.59 percent in the consumer basket)* recorded an annual rate of 6.1 percent in November 2010 compared to 6.2 percent in the previous month; *transport (with a weight of 14.79 percent in the consumer basket)* recorded an annual rate of 3.8 percent in November 2010 compared to 4.2 percent a month earlier; *education (with a weight of 7.36 percent in the consumer basket)* recorded an annual rate of 5.3 percent during November 2010, same as in the previous month; *miscellaneous goods & services (with a weight of 7.11 percent in the consumer basket)* recorded an annual rate of 4.3 percent in November 2010 compared to 3.9 percent in the preceding month.

Chart 8 Inflation by main categories

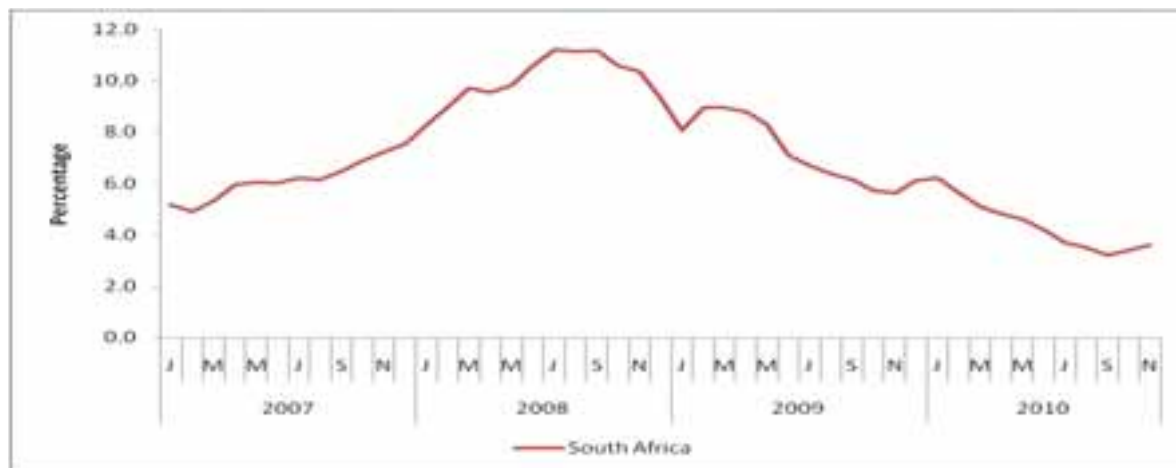


Source: Namibia's Central Bureau of Statistics

## South Africa

Annual inflation continued to accelerate during November 2010 recording a rate of 3.6 percent compared to 3.4 percent recorded a month earlier. Inflation however, remains within the inflation target range of 3-6 percent. The annual inflation rate for November 2010 was lower than the 5.8 percent recorded during the same period in 2009.

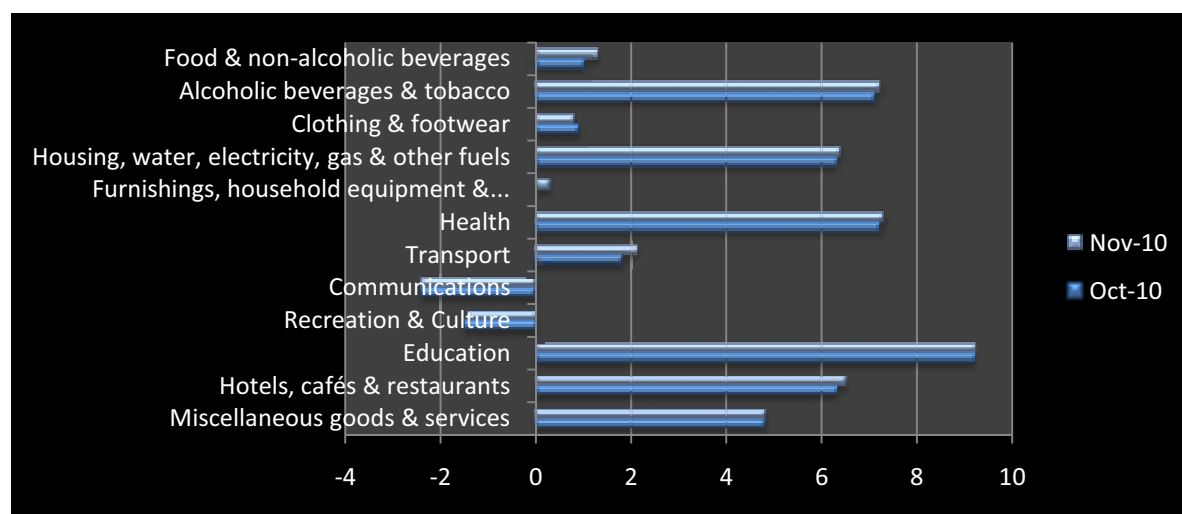
Chart 9 Annual Inflation Rate



Source: Stats SA

Performances by the five (5) major commodity groups in the consumer basket were as follows: *Housing, water, electricity, gas & other fuels* (with a weight of 22.56 percent in the consumer basket) recorded an annual rate of 6.4 percent during November 2010 from 6.3 percent recorded in the previous month; *transport* (with a weight of 18.80 percent in the consumer basket) recorded an annual rate of 2.1 percent during November 2010 from 1.8 percent recorded in the previous month; *food & non-alcoholic beverages* (with a weight of 15.68 percent in the consumer basket) recorded an annual rate of 1.3 percent during November 2010 from 1.0 percent a month earlier; *miscellaneous goods & services* (with a weight of 13.56 percent in the consumer basket) recorded an annual rate of 4.8 percent in November 2010, same as in the previous month; *furnishing, household equipment & routine maintenance* (with a weight of 5.86 percent in the consumer basket) registered an annual rate of 0.3 percent in November 2010 compared to 0.0 percent a month earlier.

Chart 10 Inflation by main categories

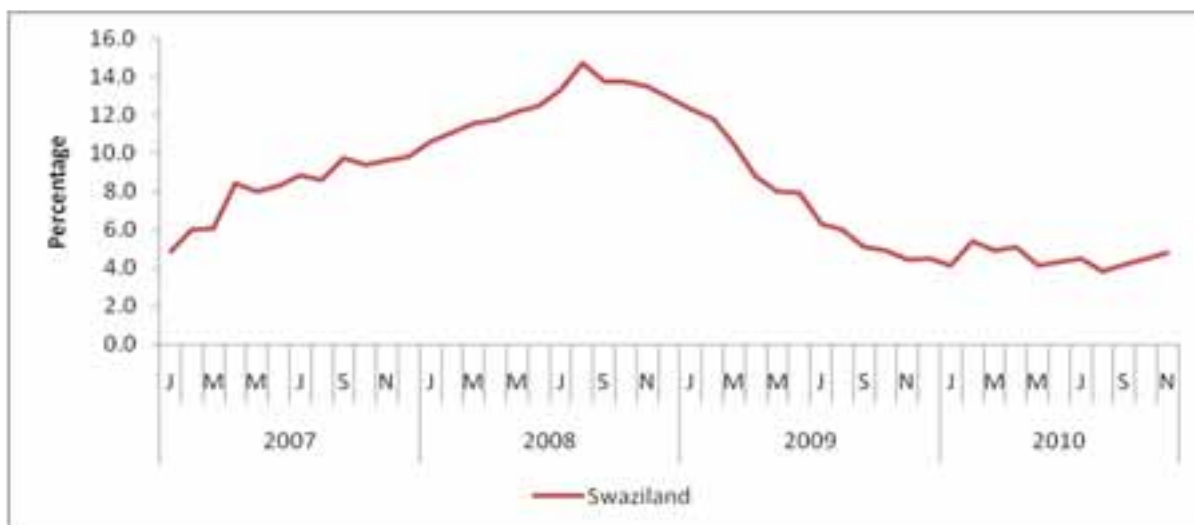


Source: Stats SA

## Swaziland

The annual inflation rate increased to 4.8 percent during November 2010 compared to 4.5 percent recorded a month earlier. The annual inflation rate for November 2010 was higher than the 4.4 percent recorded during the same month in 2009.

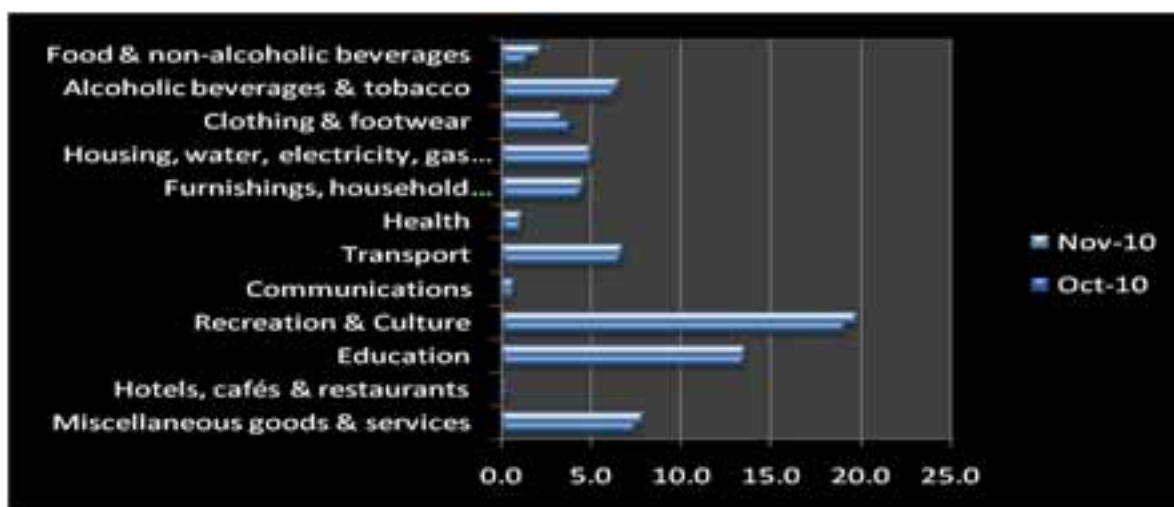
Chart 11 Annual Inflation Rate



Source: Central Statistics Office of Swaziland

Performances by the five (5) major commodity groups in the consumer basket were as follows: *Food & non-alcoholic beverages* (with a weight of 37.73 percent in the consumer basket) recorded an annual rate of 2.2 percent during November 2010 compared to 1.5 percent a month earlier; *housing, water, electricity, gas & other fuels* (with a weight of 14.33 percent in the consumer basket) recorded an annual rate of 5.0 percent in November 2010 compared to 5.1 percent a month earlier; *furnishing, household equipment & routine maintenance* (with a weight of 11.88 percent in the consumer basket) recorded an annual rate of 4.6 percent in November 2010 compared to 4.5 percent a month earlier; *transport* (with a weight of 8.60 percent in the consumer basket) recorded an annual rate of 6.8 percent in November 2010 compared to 6.7 percent a month earlier; *clothing & footwear* (with a weight of 6.16 percent in the consumer basket) recorded an annual rate of 3.4 percent in November 2010 compared to 3.9 percent a month earlier.

Chart 12 Inflation by main categories



Source: Central Statistics Office of Swaziland



## Appendix A

### Consumer Price Index Basket Weights

Main Categories	Botswana	Lesotho	Namibia	South Africa	Swaziland
Food & non-alcoholic beverages	21.84	38.14	29.63	15.68	37.73
Alcoholic beverages & tobacco	9.29	1.22	3.26	5.58	0.96
Clothing & footwear	7.52	17.43	5.13	4.11	6.16
Housing, water, electricity, gas & other fuels	11.46	10.60	20.59	22.56	14.33
Furnishings, household equipment &...	6.76	9.42	5.61	5.86	11.88
Health	2.71	1.88	1.51	1.47	3.58
Transport	18.98	8.47	14.79	18.8	8.6
Communications	3.01	1.24	0.9	3.22	1.43
Recreation & Culture	2.22	2.39	2.5	4.19	4.62
Education	3.37	2.75	7.36	2.19	5.38
Hotels, cafés & restaurants	3.27	0.66	1.62	2.78	0.72
Miscellaneous goods & services	9.57	5.81	7.11	13.56	4.67
<b>All Item</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: SACU Member States Statistics Offices