



SACU Inflation Report

March 2011

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Selected Global Inflation Rates

UK

The annual inflation rate stood at 4.0 percent during March 2011 compared to 4.4 percent during the preceding month. The annual inflation rate remained above the Bank of England's inflation target of 2.0 percent.

Euro Area

The annual inflation rate rose to 2.7 percent during March 2011 from 2.4 percent during the preceding month. The annual rate recorded for March 2011 was above the European Central Bank inflation target of below but close to 2.0 percent.

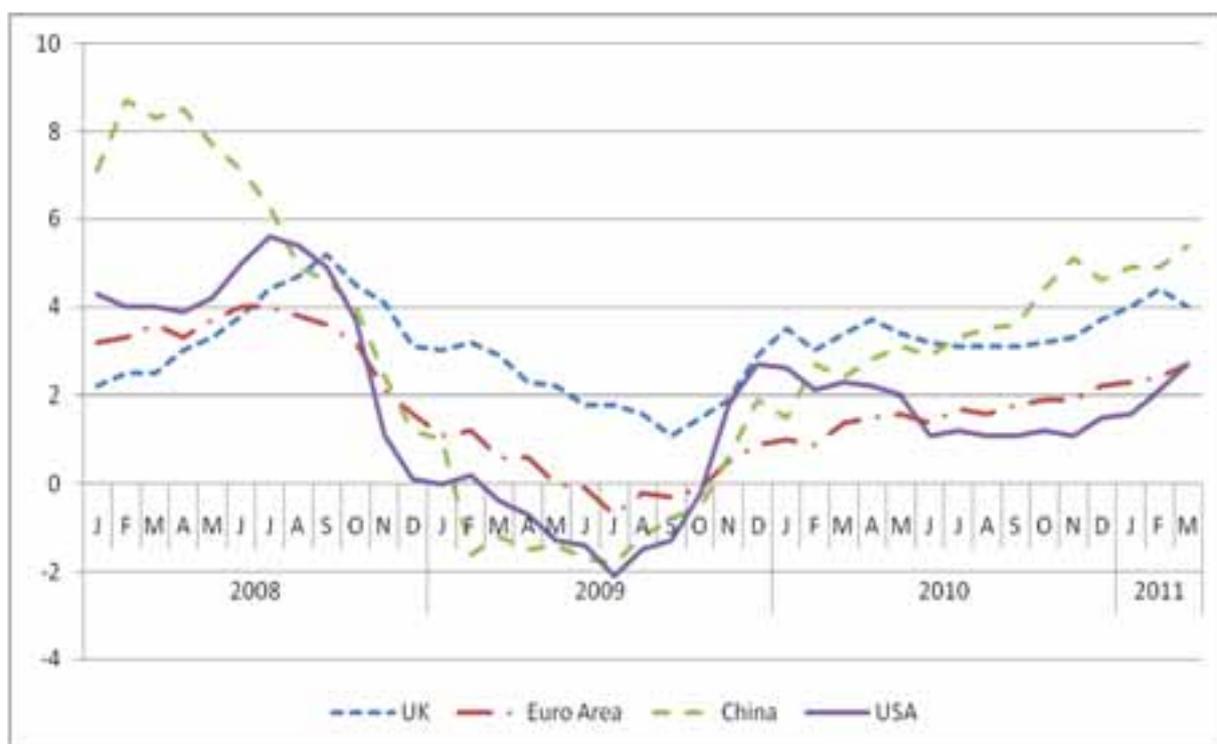
China

The annual inflation rate in the World's second largest economy rose to 5.4 percent during March 2011 from 4.9 percent during the preceding month. The annual inflation rate for March 2011 was above the Government's inflation target of 3.0 percent.

USA

The annual inflation rate in the World's largest economy rose to 2.7 percent during March 2011 from 2.1 percent during the preceding month. The inflation rate registered during March 2011 was above 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 higher inflation rates for March 2011 compared to February 2011, with the exception of Botswana. Botswana's inflation rate remained unchanged during March 2011.

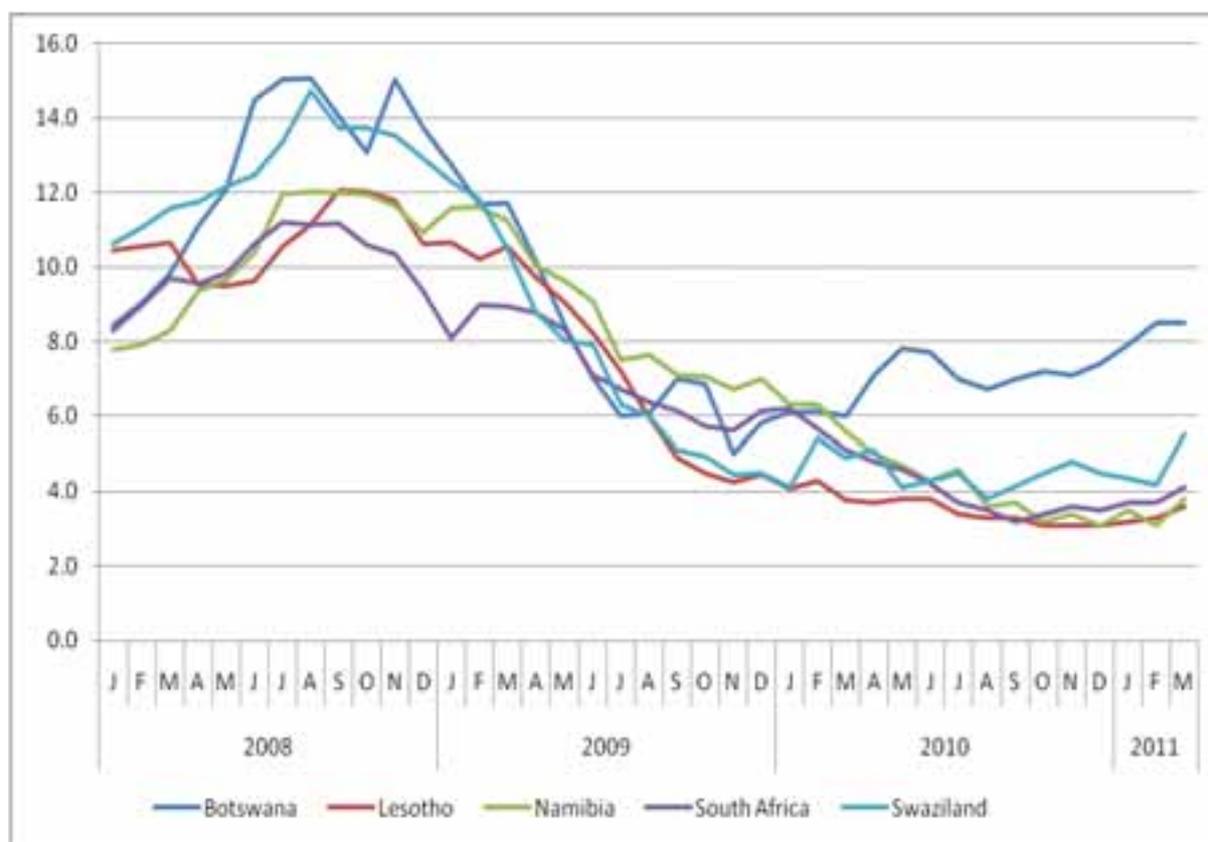
Despite this, Botswana continued to register the highest annual inflation rate among the Member States, registering an inflation rate of 8.5 percent in March 2011 followed by Swaziland at 5.5 percent. The lowest annual inflation rate was observed in Lesotho, recording an inflation rate of 3.6 percent.

Table 1: Annual Inflation Rates (%)

	Botswana	Lesotho	Namibia	South Africa	Swaziland
February 2011	8.5	3.3	3.1	3.7	4.2
March 2011	8.5	3.6	3.8	4.1	5.5

All Member States recorded a single digit annual inflation rates during March 2011.

Chart 2: Annual Inflation Rates

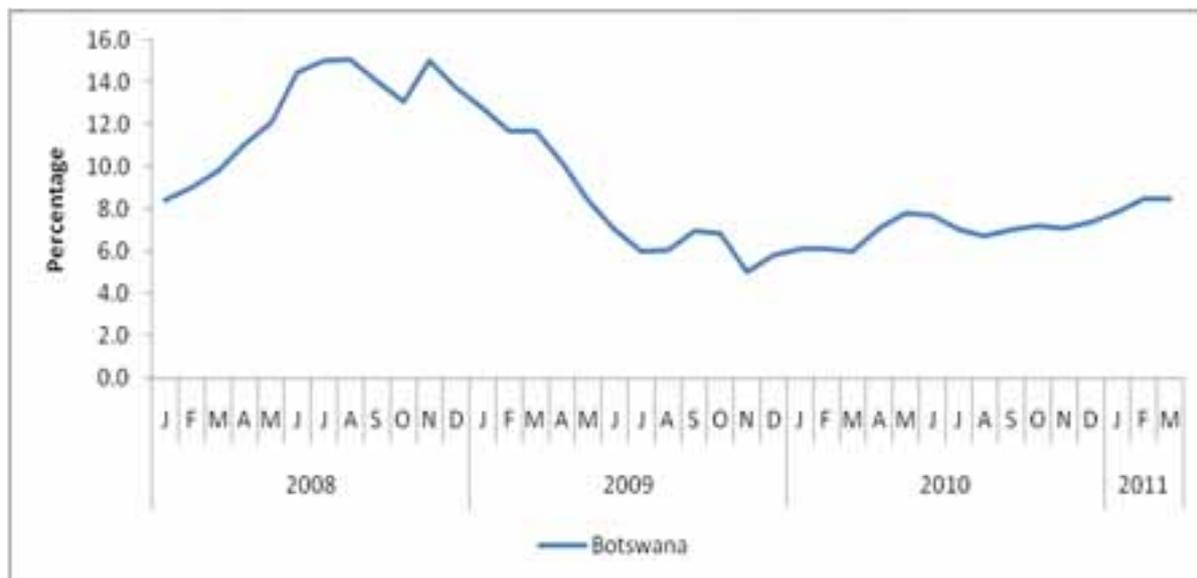


Source: Member States Statistics Offices

Botswana

The annual inflation rate for March 2011 remained unchanged at 8.5 percent, which was above the inflation target range of 3-6 percent set out by the Bank of Botswana. The annual inflation rate for March 2011 was higher than the 6.0 percent recorded during the same month in 2010.

Chart 3: Annual Inflation Rate

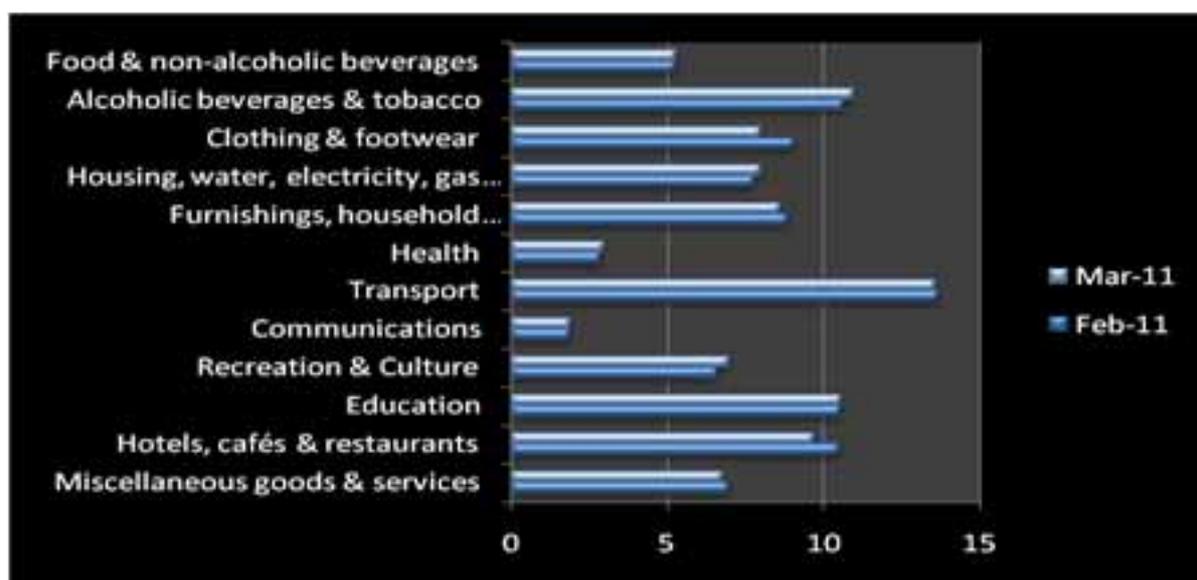


Source: Central Statistics Office of Botswana

Commodity groups that registered increases in inflation during March 2011 were, *alcoholic beverages and tobacco* (from 10.7 percent to 11.0 percent); *housing, water, electricity, gas and other fuels* (from 7.8 percent to 8.0 percent); *health* (from 2.9 percent to 3.0 percent); and *recreation and culture* (from 6.6 percent to 7.0 percent).

However, these increases were to some extent offset by falling inflation for *clothing and footwear* (from 9.1 percent to 8.0 percent); *hotels, cafes and restaurants* (from 10.5 percent to 9.7 percent); *furnishing, household equipment and routine maintenance* (from 8.9 percent to 8.6 percent); *transport* (from 13.7 percent to 13.6 percent); and *miscellaneous goods and services* (from 7.0 percent to 6.8 percent), while inflation was unchanged for *food and non-alcohol beverages*; *communications*; and *education* at 5.3 percent, 1.9 percent and 10.6 percent, respectively.

Chart 4: Inflation by Main Categories

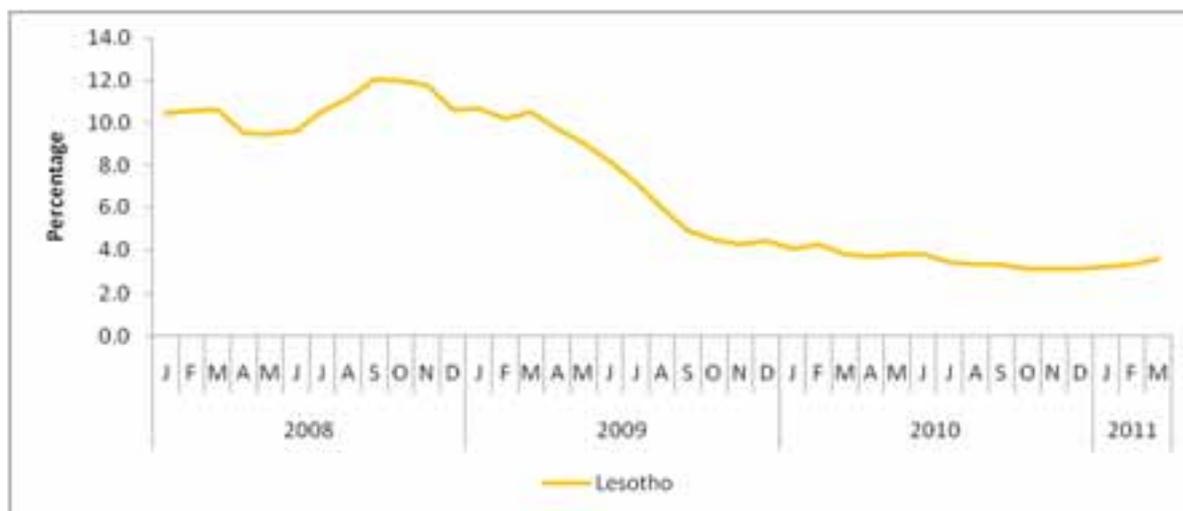


Source: Central Statistics Office of Botswana

Lesotho

The annual inflation rate during March 2011 increased for the fourth consecutive month to 3.6 percent from 3.3 percent in February 2011. The annual inflation rate for March 2011 was lower than the 3.8 percent recorded during the corresponding month in 2010.

Chart 5: Annual Inflation Rate

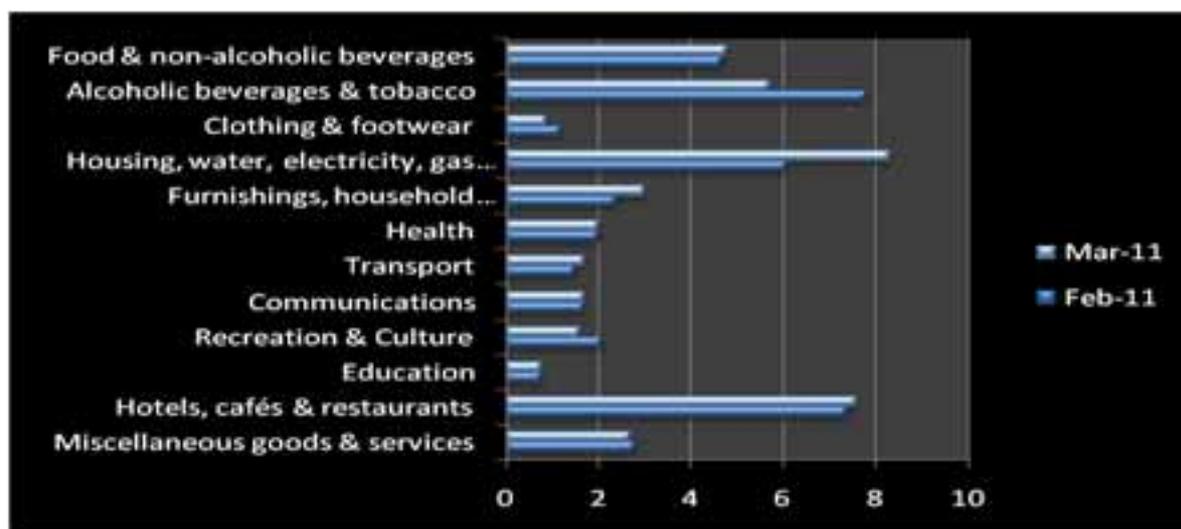


Source: Bureau of Statistics of Lesotho

Inflation rose for most commodity groups in March 2011: *food and non-alcoholic beverages* (from 4.7 percent to 4.8 percent); *housing, water, electricity, gas and other fuels* (from 6.1 percent to 8.3 percent); *transport* (from 1.5 percent to 1.7 percent); *transport* (from 1.5 percent to 1.7 percent); *hotel and restaurants* (from 7.4 percent to 7.6 percent) and *furnishings, household equipment and routine maintenance* (from 2.4 percent to 3.0 percent).

However, these increases were to some extent offset by falling inflation for *alcoholic beverages and tobacco* (from 7.8 percent to 5.7 percent); *clothing and footwear* (from 1.2 percent to 0.9 percent); and *recreation and culture* (from 2.1 to 1.6 percent), while inflation was unchanged for *education; communications; and health*, at 0.8 percent, 2.1 percent, 1.7 percent and 2.0 percent, respectively.

Chart 6: Inflation by Main Categories

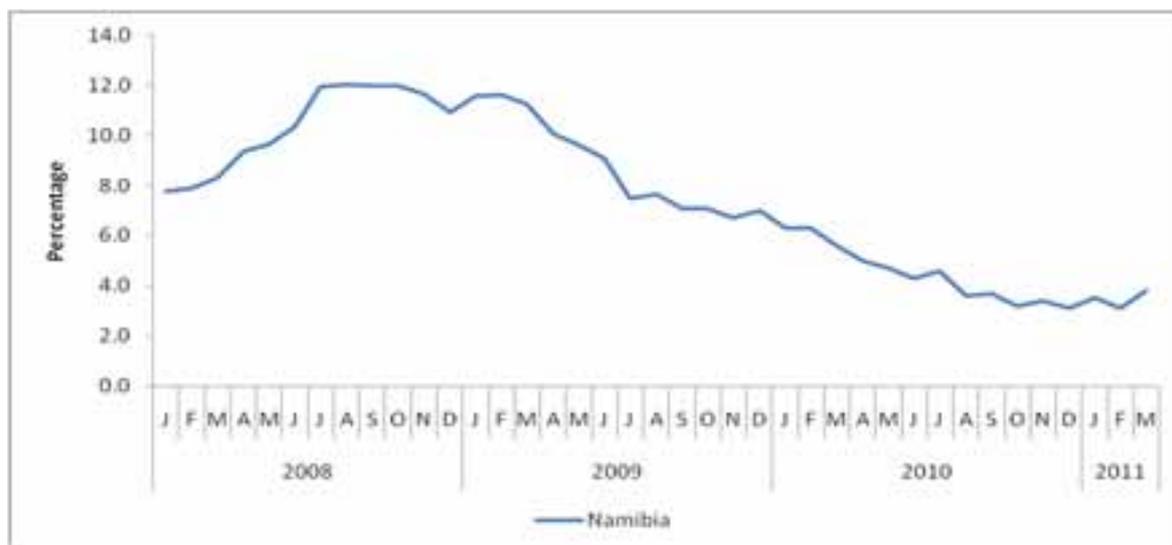


Source: Bureau of Statistics of Lesotho

Namibia

The annual inflation rate for March 2011 increased to 3.8 percent compared to 3.1 percent recorded in the preceding month. The annual inflation rate for March 2011 was significantly lower than the 5.6 percent recorded during the same month in 2010.

Chart 7: Annual Inflation Rate

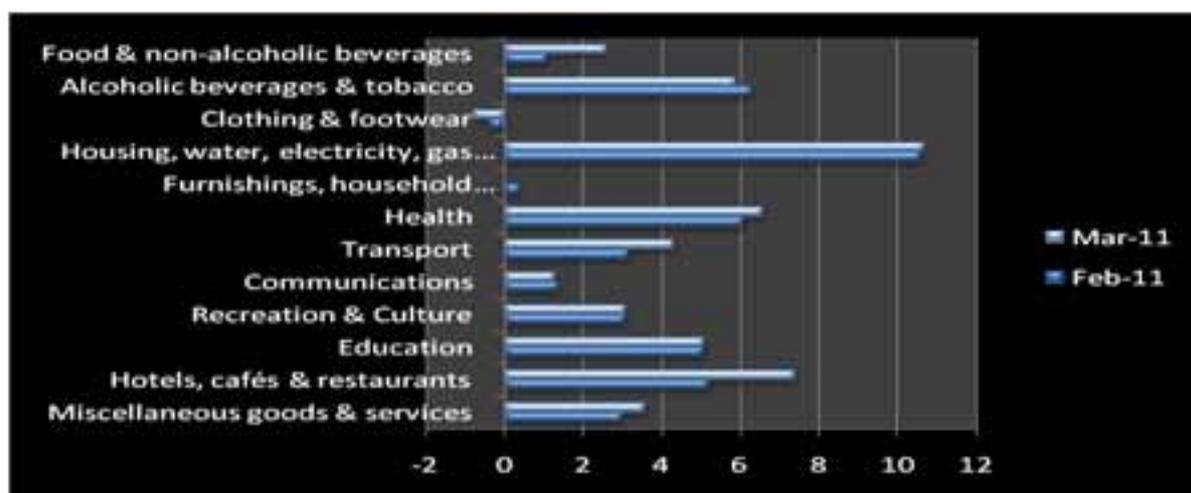


Source: Namibia's Central Bureau of Statistics

Inflation rose for most commodity groups in March 2011: *food and non-alcoholic beverages* (from 1.1 percent to 2.6 percent); *housing, water, electricity, gas and other fuels* (from 10.6 percent to 10.7 percent); *health* (from 6.1 percent to 6.6 percent); *transport* (from 3.2 percent to 4.3 percent); *hotels and restaurants* (from 5.2 percent to 7.4 percent); and *miscellaneous goods and services* (from 3.0 percent to 3.6 percent).

However, some commodity groups recorded falling inflation: *communications* (from 1.4 percent to 1.3 percent); *furnishing, household equipment and routine maintenance* (from 0.4 percent to 0.0 percent); *alcoholic beverages and tobacco* (from 6.3 percent to 5.9 percent); and *clothing and footwear* (from -0.4 to -0.8 percent). Inflation was unchanged for *education*; and *recreation and culture*, at 5.1 percent and 3.1 percent, respectively.

Chart 8: Inflation by Main Categories

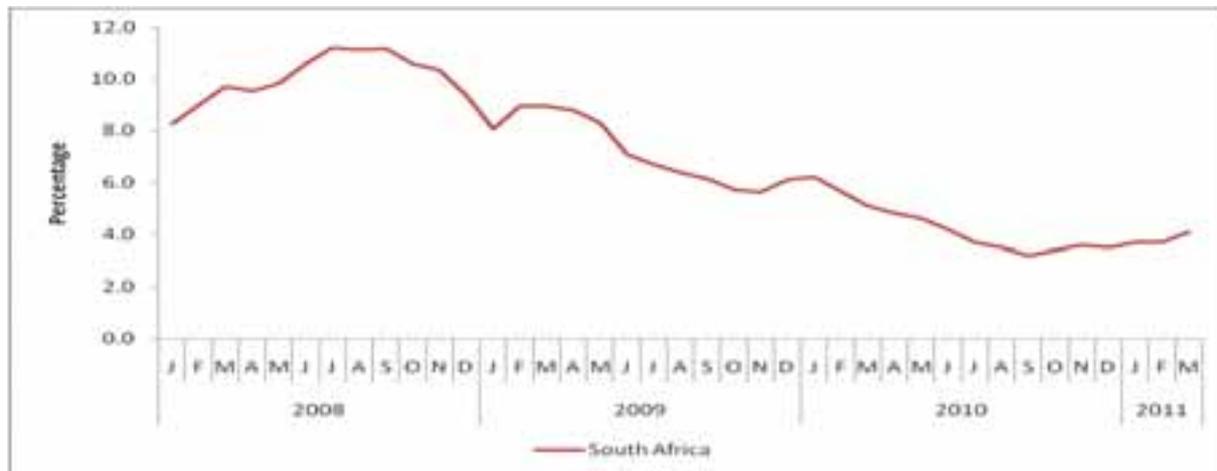


Source: Namibia's Central Bureau of Statistics

South Africa

The annual inflation rate increased to 4.1 percent during March 2011 from 3.7 percent in the previous month. Inflation remains within the inflation target range of 3-6 percent. The annual inflation rate for March 2011 was lower than the 5.1 percent recorded during the same period in 2010.

Chart 9: Annual Inflation Rate

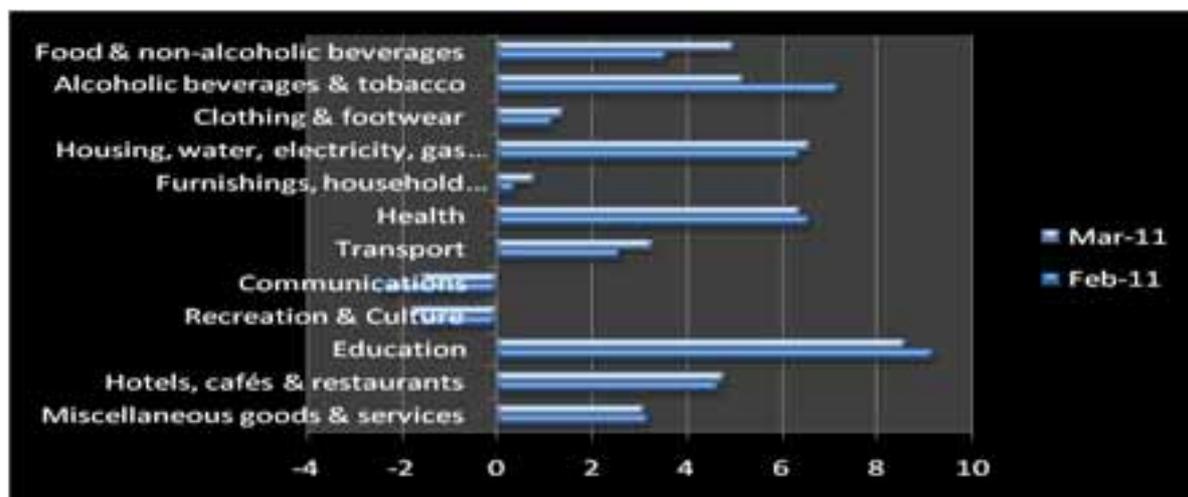


Source: Stats SA

The following commodity groups experienced an increase in inflation: *food and non-alcoholic beverages* (from 3.6 percent to 5.0 percent); *clothing and footwear* (from 1.2 percent to 1.4 percent); *housing, water, electricity, gas and other fuels* (from 6.4 percent to 6.6 percent); *transport* (from 2.5 percent to 2.6 percent); *furnishing, household equipment and routine maintenance* (from 0.4 percent to 0.8 percent); *transport* (from 2.6 percent to 3.3 percent); *communications* (from -2.4 percent to -1.6 percent); and *hotel and restaurants* (from 4.7 percent to 4.8 percent).

However, these increases were to some extent offset by falling inflation for *alcoholic beverages and tobacco* (from 7.2 percent to 5.2 percent); *health* (from 6.6 percent to 6.4 percent); *recreation and culture* (from -1.6 percent to -1.8 percent); *education* (from 9.2 percent to 8.6 percent); and *miscellaneous goods and services* (from 3.2 percent to 3.1 percent).

Chart 10: Inflation by Main Categories

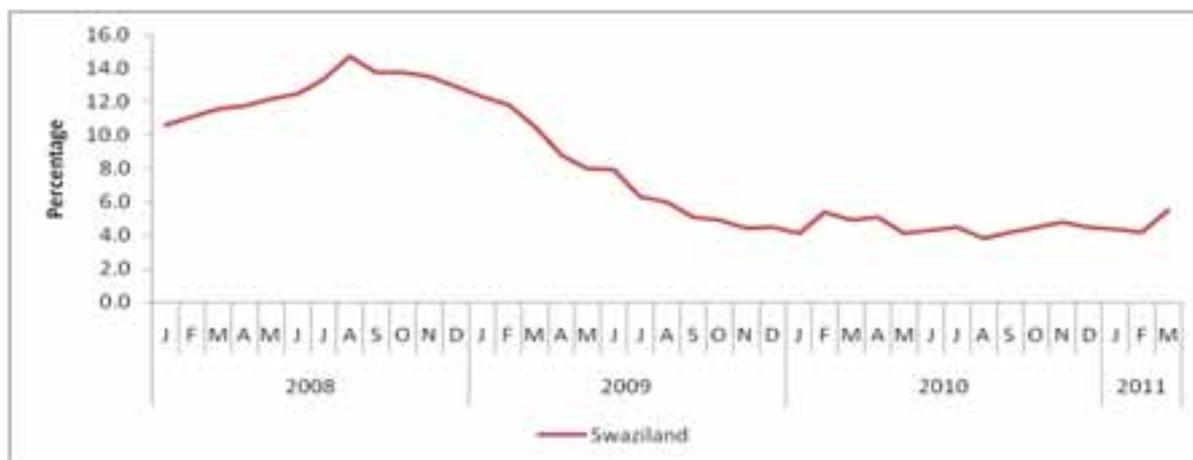


Source: Stats SA

Swaziland

The annual inflation rate was 5.5 percent during March 2011 compared to 4.2 percent recorded a month earlier. The annual inflation rate for March 2011 was higher than the 4.9 percent recorded during the same period in the previous year.

Chart 11: Annual Inflation Rate

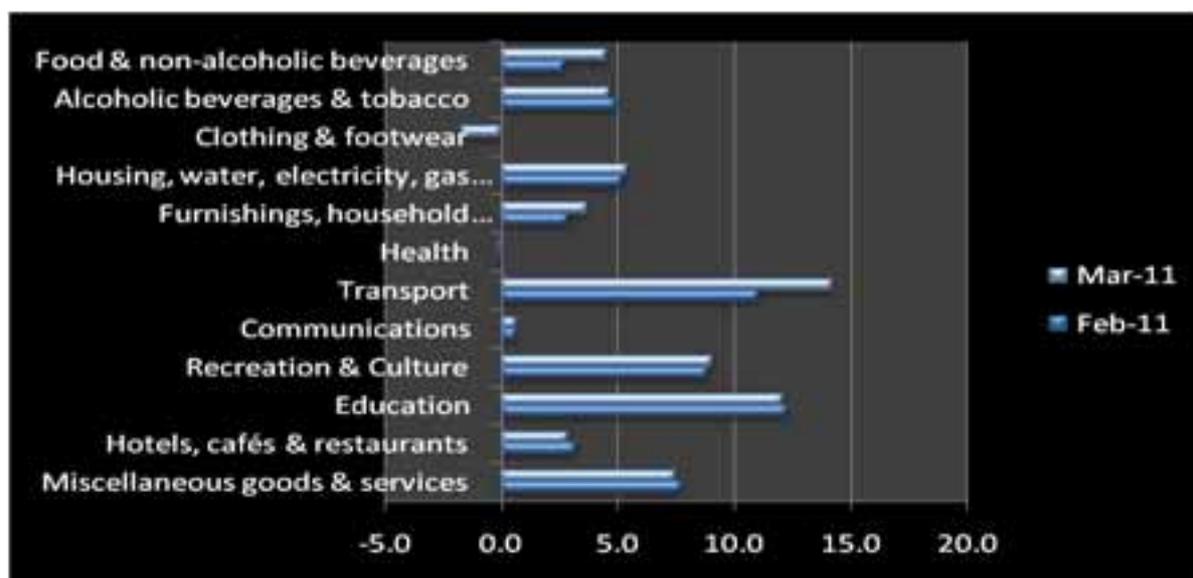


Source: Central Statistics Office of Swaziland

The following commodity groups experienced an increase in inflation in March 2011: *food and non-alcoholic beverages* (from 2.7 percent to 4.5 percent); *housing, water, electricity, gas and other fuels* (from 5.3 percent to 5.4 percent); *furnishing, household equipment and routine maintenance* (from 2.9 percent to 3.7 percent); *health* (from -0.2 percent to -0.1 percent); *transport* (from 11.1 percent to 14.2 percent); and *recreation and culture* (from 8.9 percent to 9.1 percent).

However, some commodity groups recorded falling inflation: *miscellaneous goods and services* (from 7.8 percent to 7.5 percent); *hotels and restaurants* (from 3.2 percent to 2.9 percent); *education* (from 12.3 percent to 12.1 percent); *clothing and footwear* (from 0.1 percent to -1.8 percent); and *alcoholic beverages and tobacco* (from 5.0 percent to 4.7 percent), while inflation was unchanged for *communications* at 0.7 percent.

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
All Item	100.00	100.00	100.00	100.00	100.00

Source: SACU Member States Statistics Offices