



SACU Inflation Report

January 2011

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Global Inflation Rates

UK

The annual inflation rate rose to 4.0 percent during January 2011 from 3.7 percent during the preceding month. The annual inflation rate was above the Bank of England's inflation target of 2.0 percent.

Euro Area

The annual inflation rate rose to 2.3 percent during January 2011 from 2.2 percent during the preceding month. The annual rate recorded for January 2011 was above the European Central Bank inflation target of below but close to 2.0 percent.

China

The annual inflation rate rose to 4.9 percent during January 2011 from 4.6 percent in the preceding month. The annual inflation rate for January 2011 was above the Government's inflation target of 3.0 percent.

USA

The annual inflation rate rose to 1.6 percent during January 2011 from 1.5 percent during the preceding month. The inflation rate registered during January 2011 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 continued to show mixed inflation results during January 2011, when compared to December 2010. Botswana, Lesotho, Namibia and South Africa registered higher inflation rates for January 2011 compared to the preceding month, while Swaziland's registered a lower inflation rate.

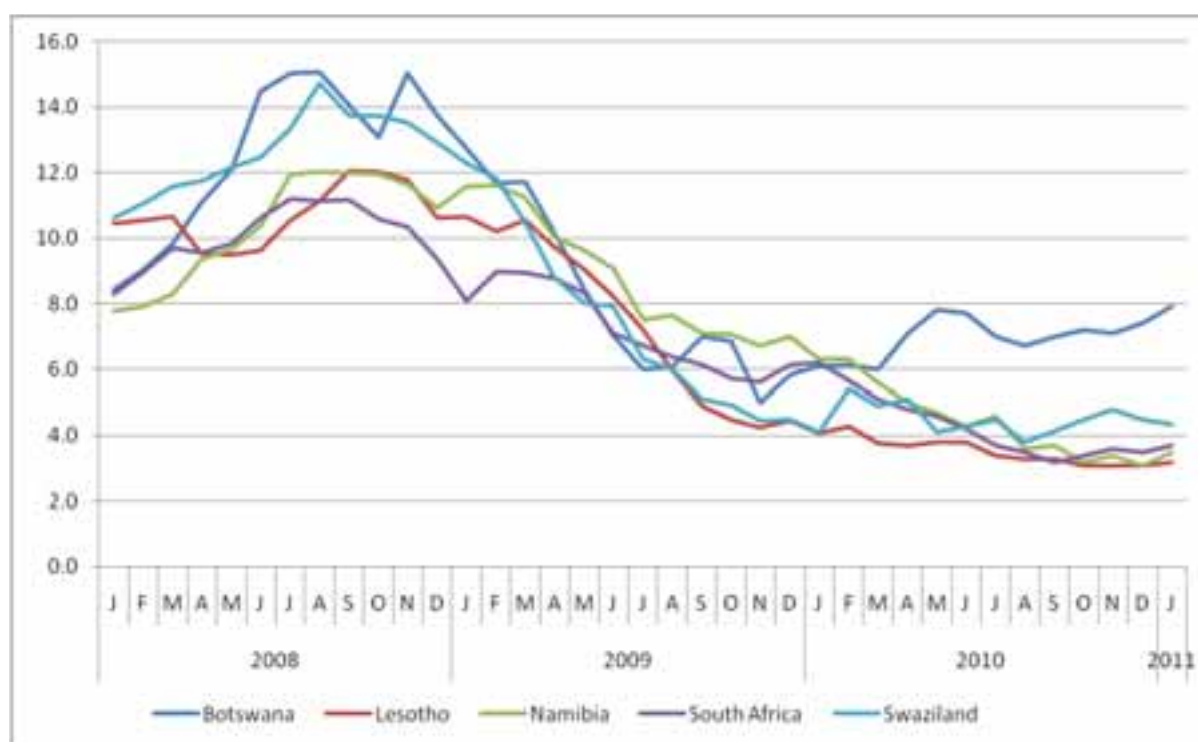
Botswana continues to register the highest annual inflation rate among the Member States; registering an inflation rate of 7.9 percent in January 2011 followed by Swaziland with 4.4 percent. The lowest annual inflation rate was observed in Lesotho recording an inflation rate of 3.2 percent.

Table 1 Annual Inflation Rates (%)

	Botswana	Lesotho	Namibia	South Africa	Swaziland
December 2010	7.4	3.1	3.1	3.5	4.5
January 2011	7.9	3.2	3.5	3.7	4.4

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

Chart 2 Annual Inflation Rates

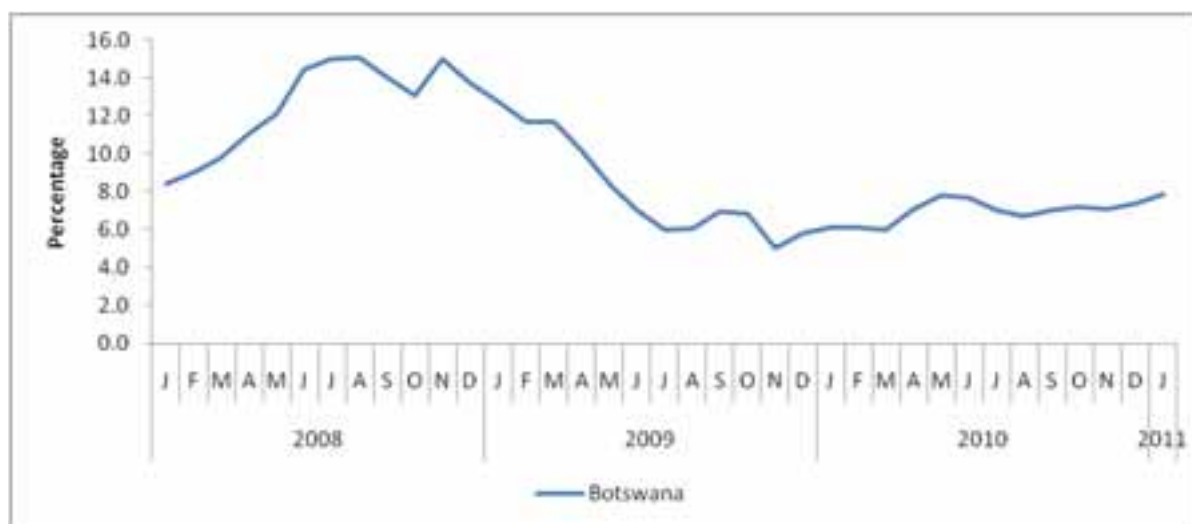


Source: Member States Statistics Offices

Botswana

The annual inflation rate for January 2011 was 7.9 percent, remaining above the inflation target range of 3-6 percent set out by the Bank of Botswana. The annual inflation rate for January 2011 was higher than the 6.1 percent recorded during the same month in 2010.

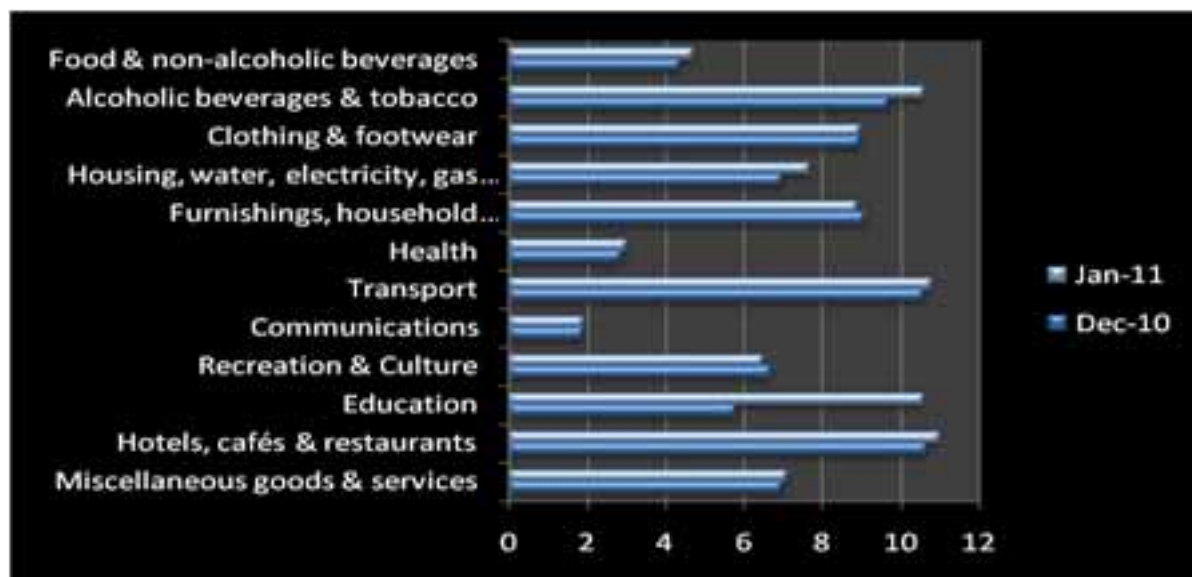
Chart 3 Annual Inflation Rate



Source: Central Statistics Office of Botswana

Performance by the five (5) major commodity groups in the consumer basket was as follows: *Food & non-alcoholic beverages* (with a weight of 21.84 percent in the consumer basket) recorded an annual rate of 4.7 percent in January 2011 compared to 4.4 percent in the preceding month; *transport* (with a weight of 18.98 percent in the consumer basket) recorded an annual rate of 10.8 percent in January 2011, from 10.6 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 7.7 percent in January 2011 compared to 7.0 percent recorded in December 2010; *miscellaneous goods and services* (with a weight of 9.57 percent in the consumer basket) recorded an annual rate of 7.1 percent in January 2011 compared to 7.0 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 10.6 percent in January 2011 compared to 9.7 percent a month earlier.

Chart 4 Inflation by Main Categories



Source: Central Statistics Office of Botswana

Lesotho

The annual inflation rate for January 2011 was 3.2 percent compared to 3.1 percent during December 2010. The annual inflation rate for January 2011 was lower than the 4.1 percent recorded during the corresponding month in 2010.

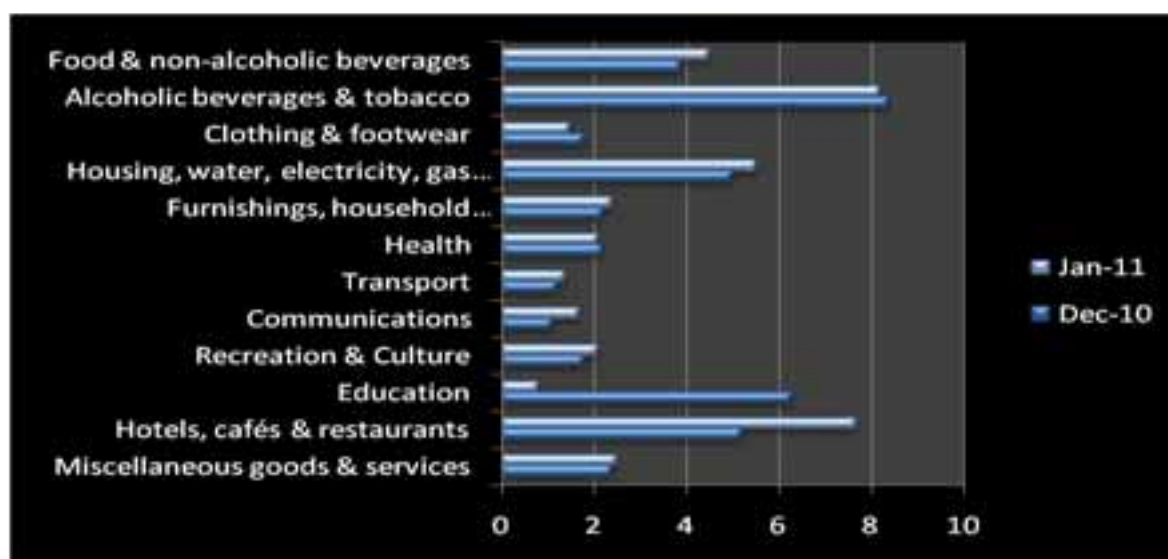
Chart 5 Annual Inflation Rate



Source: Bureau of Statistics of Lesotho

Performance by the five (5) major commodity groups in the consumer basket was as follows: *Food & non-alcoholic beverages (with a weight of 38.14 percent in the consumer basket)* recorded an annual rate of 4.5 percent in January 2011, which was higher than the 3.9 percent for December 2010; *clothing & footwear (with a weight of 17.43 percent in the consumer basket)* recorded an annual rate of 1.5 percent in January 2011, down from the 1.8 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 5.5 percent in January 2011, compared to 5.0 percent in December 2010; *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 January 2011, compared to 2.2 percent in the preceding month; *transport (with a weight of 8.47 percent in the consumer basket)* recorded an annual rate of 1.4 percent in January 2011, compared to 1.2 percent in the preceding month.

Chart 6 Inflation by Main Categories

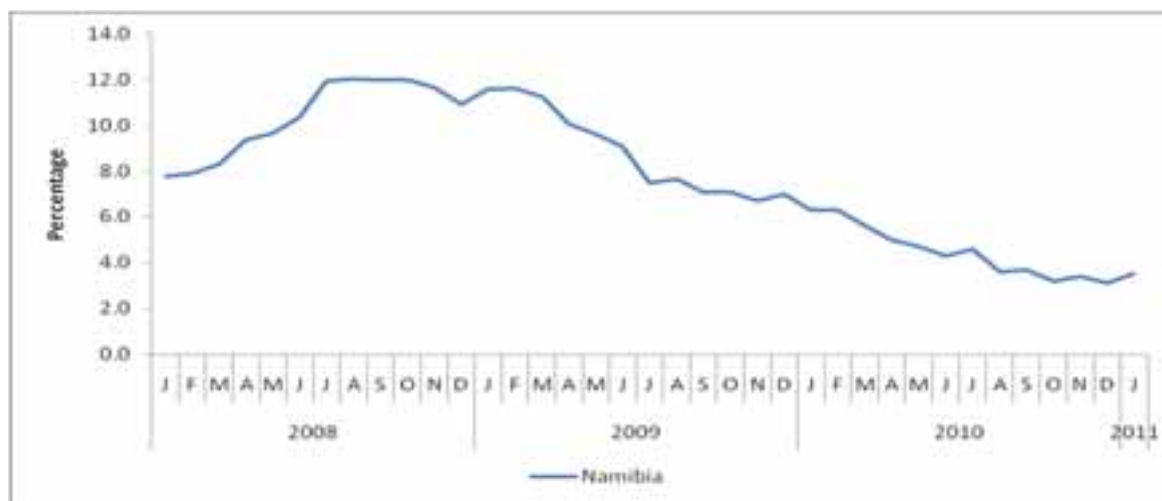


Source: Bureau of Statistics of Lesotho

Namibia

The annual inflation rate was 3.5 percent during January 2011 compared to 3.1 percent recorded in the preceding month. The annual inflation rate for January 2011 was significantly lower than the 6.3 percent recorded during the same month in 2010.

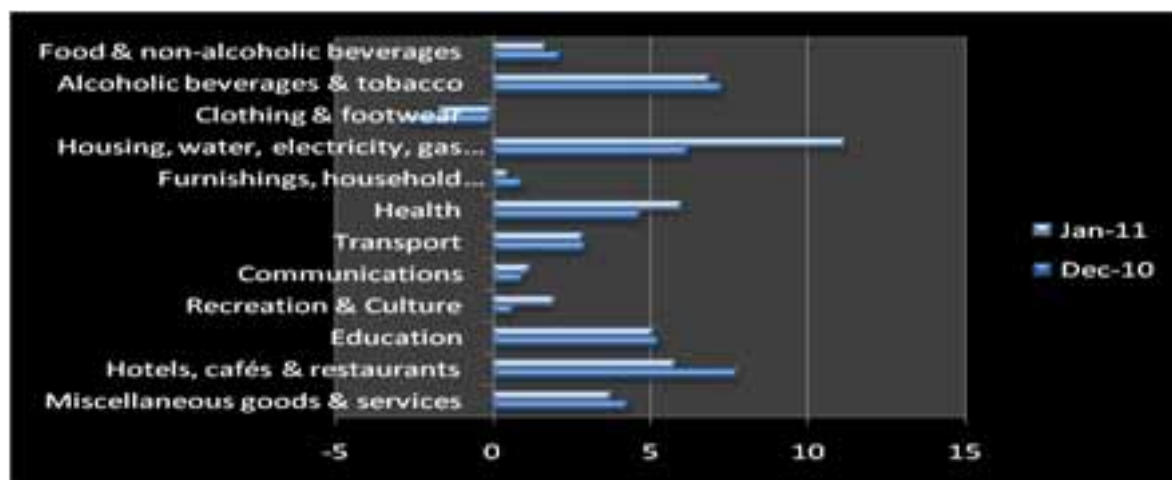
Chart 7 Annual Inflation Rate



Source: Namibia's Central Bureau of Statistics

Performance by the five (5) major commodity groups in the consumer basket was as follows: *Food & non-alcoholic beverages* (with a weight of 29.63 percent in the consumer basket) recorded an annual rate of 1.7 percent in January 2011, compared to 2.2 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 11.2 percent in January 2011 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 2.9 percent in January 2011 compared to 3.0 percent a month earlier; *education* (with a weight of 7.36 percent in the consumer basket) recorded an annual rate of 5.1 percent during January 2011, compared to 5.3 percent a month earlier; *miscellaneous goods & services* (with a weight of 7.11 percent in the consumer basket) recorded an annual rate of 3.8 percent in January 2011, compared to 4.3 percent a month earlier.

Chart 8 Inflation by Main Categories

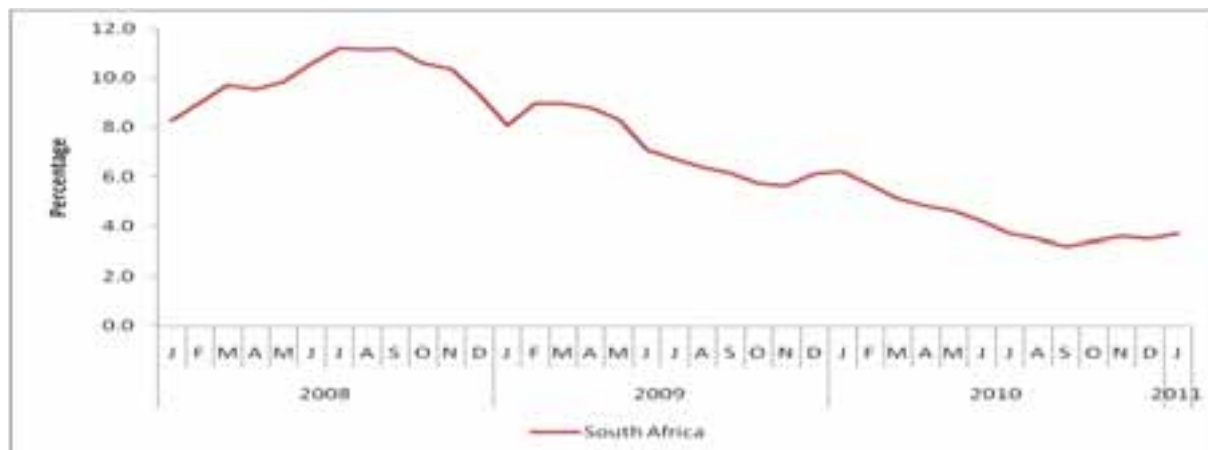


Source: Namibia's Central Bureau of Statistics

South Africa

The annual inflation rate was 3.7 percent during January 2011 compared to 3.5 percent recorded a month earlier. Inflation remains within the inflation target range of 3-6 percent. The annual inflation rate for January 2011 was lower than the 6.2 percent recorded during the same period in 2010.

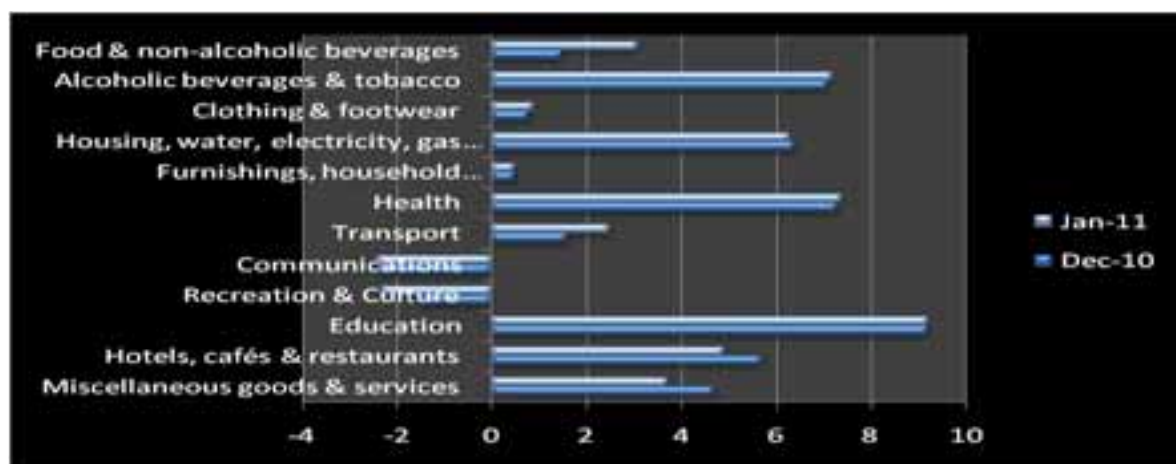
Chart 9 Annual Inflation Rate



Source: Stats SA

Performance by the five (5) major commodity groups in the consumer basket was as follows: *Housing, water, electricity, gas & other fuels (with a weight of 22.56 percent in the consumer basket)* recorded an annual rate of 6.3 percent during January 2011, from 6.4 percent recorded in the previous month; *transport (with a weight of 18.80 percent in the consumer basket)* recorded an annual rate of 2.5 percent during January 2011 from 1.6 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 3.1 percent during January 2011 from 1.5 percent a month earlier; *miscellaneous goods & services (with a weight of 13.56 percent in the consumer basket)* recorded an annual rate of 3.7 percent in January 2011, from 4.7 percent 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 0.5 percent in January 2011, same as in the previous month.

Chart 10 Inflation by Main Categories

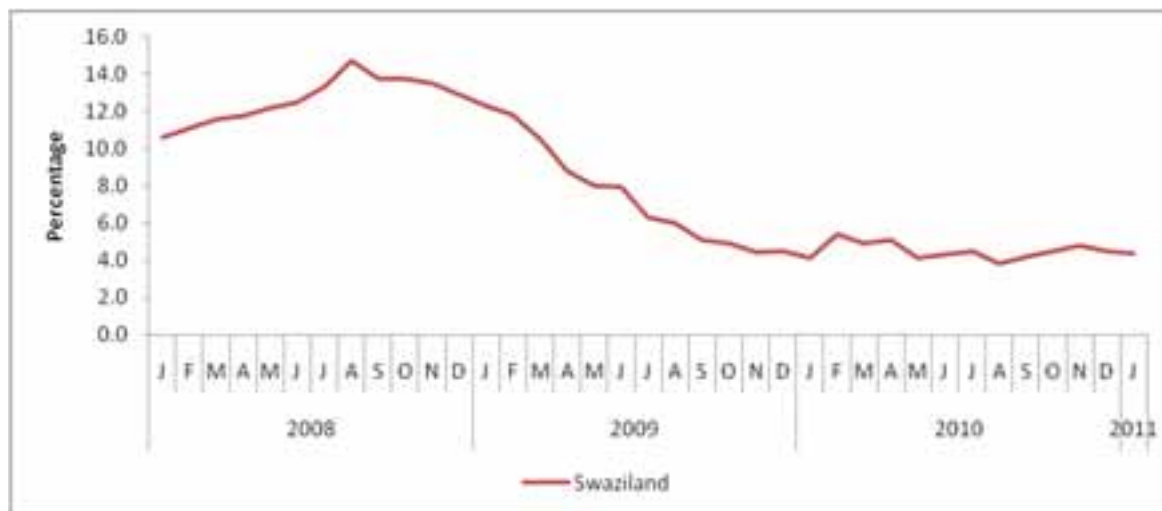


Source: Stats SA

Swaziland

The annual inflation rate was 4.4 percent during January 2011 compared to 4.5 percent recorded a month earlier. The annual inflation rate for January 2011 was higher than the 4.1 percent recorded during the same period in the previous year.

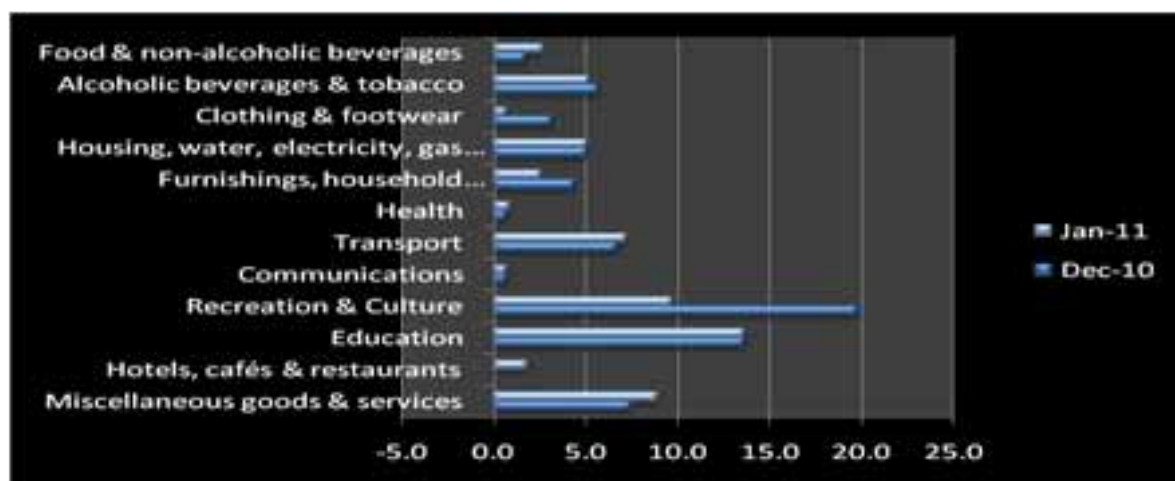
Chart 11 Annual Inflation Rate



Source: Central Statistics Office of Swaziland

Performance by the five (5) major commodity groups in the consumer basket was as follows: *Food & non-alcoholic beverages* (with a weight of 37.73 percent in the consumer basket) recorded an annual rate of 2.7 percent during January 2011 compared to 1.8 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 5.1 percent in January 2011, same as in the preceding month; *furnishing, household equipment & routine maintenance* (with a weight of 11.88 percent in the consumer basket) recorded an annual rate of 2.3 percent in January 2011 compared to 4.4 percent a month earlier; *transport* (with a weight of 8.60 percent in the consumer basket) recorded an annual rate of 7.3 percent in January 2011 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 0.7 percent in January 2011 compared to 3.2 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
All Item	100.00	100.00	100.00	100.00	100.00

Source: SACU Member States Statistics Offices