



Kingdom of Lesotho



**Statistical Report
No.4: 2017**

CONSUMER PRICE INDEX January 2017



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Mission: To coordinate the National Statistical System(NSS) and produce accurate, timely and reliable culturally relevant and internationally comparable statistical data for evidence-based planning, decision making, research, policy, program formulation and monitoring and evaluation to satisfy the needs of users and Producers.

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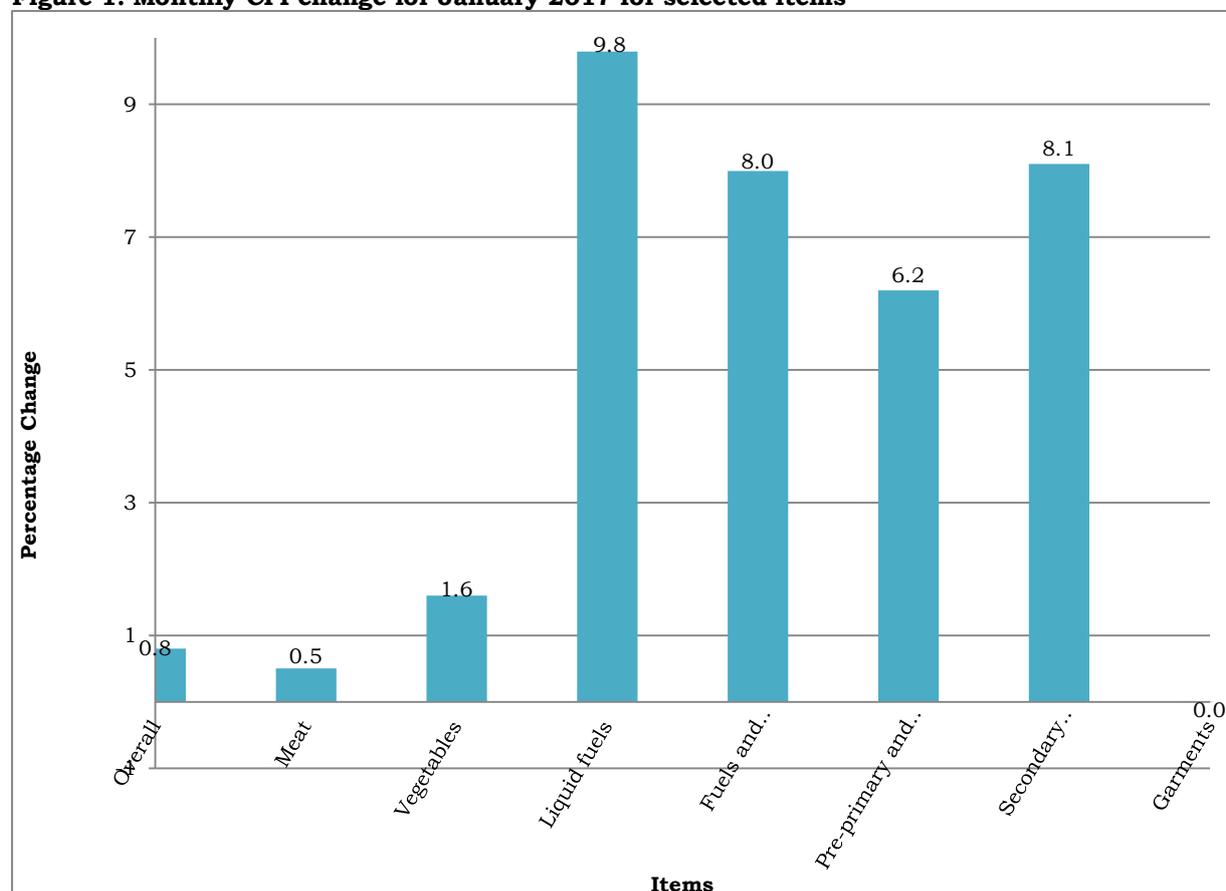
1. Introduction

This report presents the Consumer Price Indices (CPI) for January 2017 for Lesotho. The CPI is an indicator that shows changes in the cost of buying a fixed bundle of consumer goods and services as determined for the base period. In this report, CPI is calculated on monthly basis; thus, CPI is calculated comparing the prices of the current month with the prices of the previous month. Prices are collected every month in twelve urban areas and about seventy selected rural areas of Lesotho by personal visits to the outlets. About 40000 price quotations are collected in over 800 outlets for about 350 commodity items.

2. Monthly Consumer Price Index

This section covers the monthly price change for Lesotho. As depicted by Figure 1, the overall monthly CPI change for January 2017 is 0.8 percent which shows 0.8 percentage point increase from the index level observed in December 2016. The overall CPI measures a change in the index level for all items in January 2017 compared to the index level for all items in December 2016. The observed increase in monthly price indices was recorded for the following classes with their respective percentages: Meat with 1.5 percent, Vegetables with 1.6 percent, Liquid fuels (9.8 percent), Fuels and lubricants for personal transport equipment with 8.0 percent, Pre-Primary and Primary (6.2 percent) as well as Secondary education 8.1 percent. However, the increases in monthly price indices were counteracted by a decline of 0.01 percent in the price index of Garments.

Figure 1: Monthly CPI change for January 2017 for selected items



The large monthly increases in the classes mentioned above were observed in the price indices of the following specific commodity items: Poultry, Pork, Spinach, Garlic, Paraffin, Petrol, Diesel, Primary, Pre-Primary as well as Secondary education.

Annual Inflation Rate

The annual inflation rate is the change in the CPI for all items of the relevant month of the current year compared with the CPI for all items of the same month in the previous year expressed as a percentage.

The annual inflation rate in this report is computed by comparing the CPI level of January 2017 to that of January 2016. The annual inflation rate is estimated at 5.0 percent (see Table 1) which shows 0.3 percentage points decrease from the rate observed in December 2016.

The divisions, which showed a significant annual increase in the inflation rate were: Food and Non-Alcoholic Beverages (8.4 percent), Clothing & Footwear with 3.5 percent, Housing, Water, Electricity, Gas and Other Fuels (5.3 percent), Furnishings, Household Equipment and Routine Maintenance of the House with 3.2 percent, Transport (4.1 percent) and Education with 5.1 percent (See Table 1).

3. Services and Commodities Indices

Services and commodities (disaggregated into Non-durables, semi durables and durables) indices are presented in this section. The services index is derived by aggregating all the services indices. Non-durables, semi durables and durable indices are calculated by aggregating all the Non-durables, semi durables and durables indices respectively.

The monthly increase was observed with the following percentage: Services with 1.1 percent, Durables (0.1 percent) while Semi Durables and Non-Durables showed decline of 0.3 and 4.7 percent respectively. (see Table 1).

Annex 1: Tables

Table 1: Monthly Consumer Price Indices by COICOP Divisions – January 2017

	Weight	Index numbers			% change	
		Jan 16	Dec 16	Jan 17	M%	Y%
Overall CPI	1000.0	95.98	100	100.81	0.81	5.0
01. Food & Non-alcoholic beverages	361.13	92.66276	100	100.46	0.5	8.4
02. Alcohol and Tobacco	33.31	97.18	100	100.35	0.35	3.3
03. Clothing & Footwear	130.57	96.62	100	100.04	0.04	3.5
04. Housing, Water, Electricity, Gas and Other Fuels	123.97	97.17	100	102.30	2.30	5.3
05. Furnishings, Household Equipment and Routine Maintenance of the House	84.77	97.01	100	100.15	0.15	3.2
06 Health	15.04	99.13	100	100.00	0.00	0.9
07. Transport	48.21	97.83	100	101.81	1.81	4.1
08 Communications	21.05	100.00	100	100.02	0.02	0.0
09. Recreation and culture	57.08	100.29	100	100.23	0.23	-0.1
10. Education	42.00	100.00	100	105.11	5.11	5.1
11. Restaurants and Hotels	10.30	97.58	100	100.13	0.13	2.6
12. Miscellaneous goods and services	72.59	98.66	100	100.21	0.21	1.6
Services	200.05	98.82	100.00	101.14	1.14	2.34
Non durables	549.99	93.68	100.00	95.30	-4.70	1.72
Semi durables	168.56	96.86	100.00	99.69	-0.31	2.92
Durables	81.40	98.31	100.00	100.20	0.20	1.92

Table 2: Monthly Consumer Price Indices by COICOP Groups – January 2016

	Weight	Index numbers		% change
		Dec 16	Jan 17	M%
Overall CPI	1000.00	100	100.81	0.8
01.1 Food	348.52	100	100.45	0.5
01.2 Non alcoholic beverages	12.61	100	100.51	0.5
02.1 Alcohol	28.28	100	100.34	0.3
02.2 Tobacco	5.03	100	100.41	0.4
03.1 Clothing	90.26	100	100.00	0.0
03.2 Footwear	40.31	100	100.15	0.1
04.1 Actual Rentals for Housing	2.49	100	100.24	0.2
04.3 Maintenance and repair of the dwelling	8.03	100	99.93	-0.1
04.4 Water and miscellaneous services relating to dwelling	4.38	100	100.01	0.0
04.5 Electricity, Gas and other fuels	79.33	100	103.59	3.6
05.1 Furniture and furnishings	18.87	100	100.16	0.2
05.2 Household textiles	11.95	100	100.02	0.0
05.3 Household appliances	4.56	100	100.58	0.6
05.4 Glassware, tableware and household utensils	5.37	100	99.94	-0.1
05.5 Tools and equipment for house and garden	7.08	100	100.04	0.0
05.6 Goods and services for routine household maintenance	36.93	100	100.18	0.2
06.1 Medical products, appliances and equipment	7.68	100	100.00	0.0
06.2 Outpatient services	1.89	100	100.00	0.0
06.3 Hospital services	5.47	100	100.00	0.0
07.1 Purchase of vehicles	8.73	100	100.00	0.0
07.2 Operation of personal transport	23.87	100	103.66	3.7
07.3 Transport services	15.60	100	100.00	0.0
08.1 Communications	21.05	100	100.02	0.0
09.1 Audio-visual, photographic and information processing equipment	42.39	100	100.25	0.2
09.3 Other recreational items and equipment, gardens and pets	0.47	100	100.00	0.0
09.4 Recreational and cultural services	3.22	100	100.00	0.0
09.5 Newspapers, books and stationery	10.74	100	100.24	0.2
10.1 Education	42.00	100	105.11	5.1
11.1 Catering services	7.32	100	100.18	0.2
11.2 Accommodation services	2.98	100	100.00	0.0
12.1 Personal care	38.90	100	100.13	0.1
12.3 Personal effects n.e.c	7.10	100	100.00	0.0
12.4 Social protection	0.95	100	100.00	0.0
12.5 Insurance	6.31	100	100.00	0.0
12.6 Financial services	6.09	100	100.00	0.0
12.7 Other services n.e.c	13.23	100	100.77	0.8

Table 3: Monthly Consumer Price Indices by COICOP Classes – January 2017

	Weight	Index numbers		% change
		Dec 16	Jan 17	M%
Overall CPI	1000.00	100	100.81	0.8
01.1.1 Bread and cereals	138.36	100	100.17	0.2
01.1.2 Meat	49.04	100	100.47	0.5
01.1.3 Fish	6.73	100	100.72	0.7
01.1.4 Milk, cheese and eggs	22.05	100	100.65	0.6
01.1.5 Oils and fats	43.96	100	100.03	0.0
01.1.6 Fruits	2.02	100	100.27	0.3
01.1.7 Vegetables	46.40	100	101.55	1.6
01.1.8 Sugar, jam, honey, chocolate and confectionery	22.15	100	100.28	0.3
01.1.9 Food products n.e.c	17.82	100	100.70	0.7
01.2.1 Coffee, tea and cocoa	6.41	100	100.67	0.7
01.2.2 Mineral waters, soft drinks, fruit and vegetable juices	6.21	100	100.35	0.3
02.1.1 Spirits	0.67	100	100.48	0.5
02.1.2 Wine	2.18	100	100.36	0.4
02.1.3 Beer	25.42	100	100.34	0.3
02.2.1 Tobacco	5.03	100	100.41	0.4
03.1.1 Clothing materials	0.78	100	100.00	0.0
03.1.2 Garments	80.75	100	99.99	0.0
03.1.3 Other articles of clothing and clothing accessories	8.66	100	100.02	0.0
03.1.4 Cleaning, Repair and hire of clothing	0.06	100	100.00	0.0
03.2.1 Shoes and other footwear	40.07	100	100.15	0.2
03.2.2 Repair and hire of footwear	0.24	100	100.00	0.0
04.1.1. Actual rent paid by tenants	2.49	100	100.24	0.2
04.3.1. Materials for the maintenance and repair of the dwelling	4.82	100	99.89	-0.1
04.3.2 Services for the maintenance and repair of the dwelling	3.22	100	100.00	0.0
04.4.1 Water supply	3.27	100	100.00	0.0
04.4.4 Other services relating to the dwelling n.e.c	0.83	100	100.04	0.0
04.5.1 Electricity	15.26	100	100.00	0.0
04.5.2 Gas	22.50	100	100.14	0.1
04.5.3 Liquid fuels	28.55	100	109.85	9.8
04.5.4 Solid fuels	13.02	100	100.02	0.0
05.1.1 Furniture and furnishings	18.46	100	100.15	0.1
05.1.2 Carpets and other floor coverings	0.38	100	100.89	0.9
05.2.1 Household textiles	11.95	100	100.02	0.0
05.3.1 Major household appliances	3.94	100	100.66	0.7
05.3.2 Small electric household appliances	0.61	100	100.07	0.1
05.4.1 Glassware, tableware and household utensils	5.37	100	99.94	-0.1
05.5.1 Major tools and equipment	5.58	100	100.00	0.0
05.5.2 Small tools and miscellaneous accessories	1.50	100	100.18	0.2

Table 3: Monthly Consumer Price Indices by COICOP Classes – January 2017 (cont.)

	Weight	Index numbers		% change
		Dec 16	Jan 17	
05.6.1 Non durable household goods	34.07	100	100.19	0.2
05.6.2 Domestic services and home care services	2.86	100	100.00	0.0
06.1.1 Medical product, appliances and equipment	7.68	100	100.00	0.0
06.2.1 Medical services	1.09	100	100.00	0.0
06.3.1 Hospital services	5.47	100	100.00	0.0
07.1.1 Motor cars	7.89	100	100.00	0.0
07.1.2 Bicycles	0.07	100	100.00	0.0
07.1.4 Animal drawn vehicles	0.78	100	100.00	0.0
07.2.1 Spare parts and accessories for personal transport equipment	8.40	100	101.47	1.5
07.2.2 Fuels and lubricants for personal transport equipment	9.39	100	107.98	8.0
07.2.3 Maintenance and repair for personal transport equipment	3.37	100	100.00	0.0
07.2.4 Other services in respect of personal transport equipment	2.71	100	100.00	0.0
07.3.2 Passenger transport by road	13.12	100	100.00	0.0
07.3.3 Passenger transport by air	0.24	100	100.00	0.0
08.1.2 Telephone and telefax equipment	1.73	100	100.00	0.0
08.1.3 Telephone and telefax services	19.18	100	100.00	0.0
09.1.1 Equipment for the reception, recording and reproduction of sound and pictures	0.03	100	100.00	0.0
09.3.1 Games, toys and hobbies	0.29	100	100.00	0.0
09.4.2 Cultural services	3.06	100	100.00	0.0
09.4.3 Games of chance	0.02	100	100.00	0.0
09.5.1 Books	3.37	100	100.00	0.0
09.5.2 Newspapers and periodicals	0.61	100	100.92	0.9
09.5.4 Stationery and drawing materials	6.66	100	100.30	0.3
10.1.1 Pre-primary and primary education	6.58	100	106.23	6.2
10.1.2 Secondary education	20.19	100	108.12	8.1
10.1.3 Tertiary education	6.04	100	101.60	1.6
10.1.4 Education not definable by level (S)	2.96	100	100.00	0.0
11.1.1 Restaurants, cafes and the like	10.30	100	100.13	0.1
11.2.1 Accommodation services	2.98	100	100.00	0.0
12.1.1 Hairdressing salons and personal grooming establishments	29.16	100	100.00	0.0
12.1.3 Other appliances, articles and products for personal care	9.55	100	100.54	0.5
12.3.1 Jewellery, clocks and watches	0.30	100	100.00	0.0
12.3.2 Other personal effects	6.80	100	100.00	0.0
12.4.1 Social protection	0.95	100	100.00	0.0
12.5.3 Insurance connected with health	2.37	100	100.00	0.0
12.6.2 Financial services n.e.c	6.09	100	100.00	0.0
12.7.1 Other services n.e.c	13.23	100	100.77	0.8

Annex 2: Explanations and Technical Notes

The CPI has been rebased and the new reference period is December 2016. The linking was done at the division level because at levels lower than that, the two series were not compatible. The indices were linked and spliced, using December 2016 as the overlap month that is the period for which the indices were available for both the old and new series. The linking factor was then estimated and the indices from December 2016 and the months preceding December were multiplied by this factor. The resulting indices were then multiplied by 100/ December Index.

The formula used in calculating the price indices is Modified Laspeyres index formula with elementary price indices being calculated using geometric mean. The officially accepted method of measuring inflation rate in Lesotho is the index for the current month compared with that of the corresponding month in the previous year.

$$\{(I_c/I_p)-1\}*100 = \text{Inflation rate}$$

Where: I_c = index for the current month,
 I_p = index for the same month in the previous year.

Bureau of Statistics (BOS) recommends this method over others for estimating the annual inflation rate. This method tends to eliminate any possible seasonal effects, since the indices for the corresponding months are compared. However, it should be borne in mind that inflation rate calculated according to this method fluctuates considerably.

Goods and services are classified according to Classification of Individual Consumption according to Purpose -International Comparison Programme (COICOP-ICP).

The weights are calculated on the basis of the 2010/11 Household Budget Survey (HBS). The CPI results are published on the 20th day of the month following the reference month of data collection. Additional and more detailed information is also available from the BOS website: www.bos.gov.ls, Email address: economics@bos.gov.ls and or at BOS Library.

Annex 3: Monthly price data collection areas

DISTRICT	AREA: URBAN	AREA: RURAL
1. Butha-Buthe	Butha-Buthe	Malelefiloane Tsime Qholaqhoe Ha Molapo Manamela Qalo Muela Khukhune Ha Selomo Seboche
2. Leribe	Hlotse Maputsoe	Ha Lejone Pitseng Peka Kolonyama
3. Berea	Teya-Teyaneng	Mamathe Mapoteng Makhoroana Sefikeng Khotsi's Ha Rakoto Ha Koali
4. Maseru	Maseru Semonkong	Roma Nazareth Morija Matsieng Mants'ebo Ramabanta
5. Mafeteng	Mafeteng	Van Rooyen's Ts'akholo Kolo Ts'ita's Nek Ramatseliso Motsekuoa Ha Makhakhe Matelile ha Seeiso Mount Tabor Thabana Morena Ha Khobotle Thaba Ts'oeu
6. Mohale's Hoek	Mohale's hoek	Phamong Holy Cross Masemousu Mpharane
7. Quthing	Moyeni	A' skop

		Mount Moorosi Mphaki
8. Qhacha's Nek	Qhacha's Nek	Sehlabathebe Ha Ramatseliso Ha Sekake White hill Ha Mpiti
9. Mokhotlong	Mokhotlong	Tlokoeng Mapholaneng Janteu Linakaneng Thanyaku phahameng
10.Thaba-Tseka	Thaba-Tseka	Mantsonyane Sehonghong Mashai katse