



Kingdom of Lesotho



**Statistical Report
No.10: 2016**

CONSUMER PRICE INDEX July 2016



Bureau of Statistics
PO Box 455, Maseru 100, Lesotho
Tel: +266 22 323 852/ 22 326 393
Fax: +266 22 310 177
E-mail: economics@bos.gov.ls
Website: www.bos.gov.ls

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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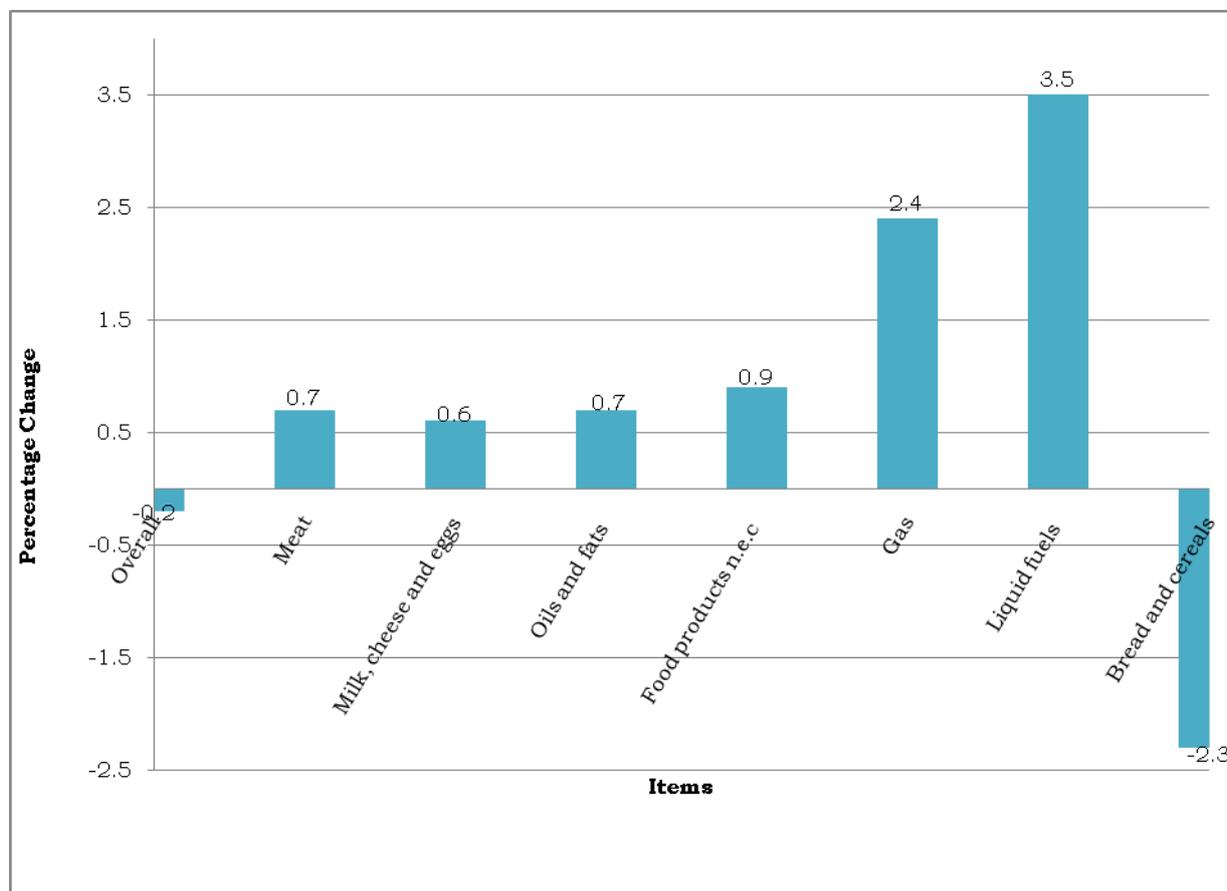
1. Introduction

This report presents the Consumer Price Indices (CPI) for July 2016 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 forty five selected rural areas of Lesotho by personal visits to the outlets. About 15000 price quotations are collected in 780 outlets for about 200 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 July 2016 is -0.2 percent which shows a 0.8 percentage point decrease from the index level observed in June 2016. The overall CPI measures a change in the index level for all items in July 2016 compared to the index level for all items in June 2016. The observed increase in monthly price indices was recorded for the following classes with their respective percentages: Meat with 0.7 percent, Milk, cheese and eggs (0.6 percent), Oils and fats (0.7 percent), Food products n.e.c with 0.9 percent, Gas with 2.4 percent as well as Liquid fuels (3.5 percent). However the increases in monthly price indices were counteracted by a decline of 2.3 percent in the price index of Bread and cereals

Figure 1: Monthly CPI change for July 2016 for selected items



The large monthly increases in the classes mentioned above were observed in the price indices of the following specific commodity items: Chicken, Pork, Whole milk, Sour milk, Margarine, Edible oil, Peanuts, Gas as well as Paraffin.

3. 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 July 2016 to that of July 2015. The annual inflation rate is estimated at 6.9 percent (see Table 1) which shows 0.6 percentage point decrease from the rate observed in June 2016.

The divisions which showed a significant annual increase in the inflation rate were: Food and Non-Alcoholic Beverages (12.1 percent), Clothing & Footwear with 4.9 percent, Furnishings, Household Equipment and Routine Maintenance of the House with 3.8 percent, Housing, Water, Electricity, Gas and Other Fuels with 1.4 percent, Education (4.9 percent) and Miscellaneous goods and services (4.2 percent) (See Table 1).

The following groups had a contribution to the annual increase: Food with 12.3 percent, Clothing (5.4 percent), Footwear (4.2 percent), Goods and services for routine household maintenance with 4.4 percent, Education with 4.9 percent and Personal care with 6.0 percent (see Table 2).

4. 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: Semi Durables (0.2 percent) Durables with 0.1 percent while Services showed no percentage change. However a decline of 0.3 percent was observed for Non-Durables. The annual inflation rates were 9.3, 4.7, 2.5 and 1.4: Non Durables, Semi Durables, Durables and Services respectively (see Table 1).

Annex 1: Tables

Table 1: Monthly Consumer Price Indices by COICOP Divisions – July 2016

	Weight	Index numbers			% change	
		July 15	June 16	July 16	M%	Y%
Overall CPI	100.0	128.95	138.00	137.79	-0.2	6.9
01. Food & Non-alcoholic beverages	38.1	140.48	158.91	157.54	3.0	12.1
02. Alcohol and Tobacco	1.2	138.09	144.54	144.73	0.1	4.8
03. Clothing & Footwear	17.4	112.87	118.27	118.44	0.1	4.9
04. Housing, Water, Electricity, Gas and Other Fuels	10.6	141.50	141.30	143.48	1.5	1.4
05. Furnishings, Household Equipment and Routine Maintenance of the House	9.4	118.90	123.23	123.40	0.1	3.8
06 Health	1.9	105.48	107.35	107.55	0.2	2.0
07. Transport	8.5	127.40	128.49	128.64	0.1	1.0
08 Communications	1.2	101.14	101.14	101.14	0.0	0.0
09. Recreation and culture	2.4	110.48	111.64	111.59	-0.1	1.0
10. Education	2.7	128.38	134.65	134.65	0.0	4.9
11. Restaurants and Hotels	0.7	113.03	115.69	115.72	0.0	2.4
12. Miscellaneous goods and services	5.8	118.48	123.09	123.51	0.3	4.2
Services	17.9811	119.43	121.07	121.13	0.0	1.4
Non durables	56.2064	139.44	152.93	152.47	-0.3	9.3
Semi durables	19.7513	113.19	118.30	118.48	0.2	4.7
Durables	6.0611	109.94	112.56	112.65	0.1	2.5

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

	Weight	Index numbers			% change	
		July 15	June 16	July 16	M%	Y%
Overall CPI	100.0	128.95	138.00	137.79	-0.2	6.9
01.1 Food	37.0	140.96	159.68	158.25	-0.9	12.3
01.2 Non alcoholic beverages	1.1	125.02	133.76	134.07	0.2	7.2
02.1 Alcohol	1.0	136.40	142.29	142.47	0.1	4.5
02.2 Tobacco	0.2	146.29	155.47	155.69	0.1	6.4
03.1 Clothing	10.8	112.88	118.78	118.94	0.1	5.4
03.2 Footwear	6.7	112.85	117.45	117.63	0.2	4.2
04.1 Actual Rentals for Housing	2.5	108.79	109.81	109.81	0.0	0.9
04.3 Maintenance and repair of the dwelling	1.4	117.97	123.42	123.36	0.0	4.6
04.4 Water and miscellaneous services relating to dwelling	0.6	137.17	142.31	142.31	0.0	3.7
04.5 Electricity, Gas and other fuels	6.1	160.47	158.01	161.78	2.4	0.8
05.1 Furniture and furnishings, carpets and other floor coverings	2.8	114.51	117.83	118.05	0.2	3.1
05.2 Household textiles	0.3	114.33	116.98	117.10	0.1	2.4
05.3 Household appliances	0.7	109.61	113.00	113.03	0.0	3.1
05.4 Glassware, tableware and household utensils	0.2	114.03	118.07	118.28	0.2	3.7
05.5 Tools and equipment for house and garden	0.4	109.68	112.02	112.12	0.1	2.2
05.6 Goods and services for routine household maintenance	5.0	123.95	129.27	129.43	0.1	4.4
06.1 Medical products, appliances and equipment	0.8	111.29	114.59	114.90	0.3	3.2
06.2 Outpatient services	0.5	103.51	105.55	105.83	0.3	2.2
06.3 Hospital services	0.6	100.00	100.00	100.00	0.0	0.0
07.1 Purchase of vehicles	1.3	109.66	113.15	113.15	0.0	3.2
07.2 Operation of personal transport	2.3	125.92	128.02	128.55	0.4	2.1
07.3 Transport services	4.9	132.74	132.74	132.74	0.0	0.0
08.1 Communications	1.2	101.14	101.14	101.14	0.0	0.0
09.1 Audio-visual, photographic and information processing equipment	0.7	110.86	110.82	110.60	-0.2	-0.2
09.3 Other recreational items and equipment, gardens and pets	0.1	110.55	110.03	110.03	0.0	-0.5
09.4 Recreational and cultural services	0.6	110.43	110.43	110.43	0.0	0.0
09.5 Newspapers, books and stationery	1.1	110.26	112.89	112.90	0.0	2.4
10.1 Education	2.7	128.38	134.65	134.65	0.0	4.9
11.1 Catering services	0.6	112.37	115.00	115.03	0.0	2.4
11.2 Accommodation services	0.0	122.30	125.42	125.42	0.0	2.6
12.1 Personal care	3.2	121.48	128.24	128.75	0.4	6.0
12.3 Personal effects n.e.c	0.1	114.99	116.57	116.57	0.0	1.4
12.4 Social protection	0.2	120.08	121.39	121.39	0.0	1.1
12.5 Insurance	0.1	115.87	124.26	124.26	0.0	7.2
12.6 Financial services	0.6	114.53	119.72	120.95	1.0	5.6
12.7 Other services n.e.c	1.5	114.01	114.41	114.42	0.0	0.4

Table 3: Monthly Consumer Price Indices by COICOP Classes – July 2016

	Index numbers			% change		
	Weight	July 15	June 16	July 16	M%	Y%
Overall CPI	100.0	128.95	138.00	137.79	-0.2	6.9
01.1.1 Bread and cereals	18.0	136.14	163.15	159.46	-2.3	17.1
01.1.2 Meat	4.3	147.19	153.41	154.42	0.7	4.9
01.1.3 Fish	0.4	127.20	134.70	134.91	0.2	6.1
01.1.4 Milk, cheese and eggs	3.0	131.70	137.70	138.54	0.6	5.2
01.1.5 Oils and fats	2.0	148.85	166.59	167.82	0.7	12.7
01.1.6 Fruits	0.6	148.72	159.61	160.45	0.5	7.9
01.1.7 Vegetables	5.1	158.47	172.49	172.40	-0.1	8.8
01.1.8 Sugar, jam, honey, chocolate and confectionery	1.8	149.21	166.42	167.52	0.7	12.3
01.1.9 Food products n.e.c	1.8	123.86	132.04	133.27	0.9	7.6
01.2.1 Coffee, tea and cocoa	0.4	123.59	136.99	137.50	0.4	11.2
01.2.2 Mineral waters, soft drinks, fruit and vegetable juices	0.7	125.88	131.83	132.02	0.1	4.9
02.1.1 Spirits	0.1	124.40	128.85	129.39	0.4	4.0
02.1.2 Wine	0.1	137.83	144.24	144.30	0.0	4.7
02.1.3 Beer	0.9	137.12	143.08	143.24	0.1	4.5
02.2.1 Tobacco	0.2	146.29	155.47	155.69	0.1	6.4
03.1.1 Clothing materials	0.3	128.67	130.28	130.99	0.5	1.8
03.1.2 Garments	10.0	112.26	118.42	118.57	0.1	5.6
03.1.3 Other articles of clothing and clothing accessories	0.4	110.21	112.91	112.91	0.0	2.5
03.1.4 Repair and hire of clothing	0.1	149.51	153.31	153.31	0.0	2.5
03.2.1 Shoes and other footwear	6.5	112.64	117.23	117.41	0.2	4.2
03.2.2 Repair and hire of footwear	0.2	121.25	126.52	126.52	0.0	4.3
04.1.1. Actual rent paid by tenants	2.5	108.79	109.81	109.81	0.0	0.9
04.3.1. Materials for the maintenance and repair of the dwelling	1.0	120.78	127.97	127.89	-0.1	5.9
04.3.2 Services for the maintenance and repair of the dwelling	0.3	109.15	109.15	109.15	0.0	0.0
04.4.1 Water supply	0.2	149.91	162.87	162.87	0.0	8.7
04.4.4 Other services relating to the dwelling n.e.c	0.4	128.79	128.79	128.79	0.0	0.0
04.5.1 Electricity	0.5	183.38	206.12	206.12	0.0	12.4
04.5.2 Gas	2.0	188.82	187.04	191.46	2.4	1.4
04.5.3 Liquid fuels	2.9	149.88	140.89	145.88	3.5	-2.7
04.5.4 Solid fuels	0.8	112.07	115.28	115.37	0.1	2.9
05.1.1 Furniture	2.7	114.54	117.88	118.10	0.2	3.1
05.1.2 Carpets and other floor coverings	0.1	113.90	116.57	116.74	0.1	2.5
05.2.1 Household textiles	0.3	114.33	116.98	117.10	0.1	2.4
05.3.1 Major household appliances	0.6	109.55	113.22	113.27	0.0	3.4
05.3.2 Small electric household appliances	0.1	110.14	111.09	111.04	0.0	0.8
05.4.1 Glassware, tableware and household utensils	0.2	114.03	118.07	118.28	0.2	3.7
05.5.1 Major tools and equipment	0.2	102.65	102.65	102.65	0.0	0.0
05.5.2 Small tools and miscellaneous accessories	0.2	115.13	119.27	119.44	0.1	3.7

Table 3: Monthly Consumer Price Indices by COICOP Classes – July 2016 (cont.)

	Weight	Index numbers			% change	
		July 15	June 16	July 16	M%	Y%
05.6.1 Non durable household goods	4.5	124.92	130.80	130.98	0.1	4.9
05.6.2 Domestic services and home care services	0.5	114.66	114.66	114.66	0.0	0.0
06.1.1 Medical product, appliances and equipment	0.8	111.29	114.59	114.90	0.3	3.2
06.2.1 Medical services	0.5	103.51	105.55	105.83	0.3	2.2
06.3.1 Hospital services	0.6	100.00	100.00	100.00	0.0	0.0
07.1.1 Motor cars	1.2	109.32	113.00	113.00	0.0	3.4
07.1.2 Motor cycles	0.0	119.47	119.47	119.47	0.0	0.0
07.1.4 Animal drawn vehicles	0.0	109.29	110.44	110.44	0.0	1.1
07.2.1 Spare parts and accessories for personal transport equipment	0.8	124.85	128.24	129.01	0.6	3.3
07.2.2 Fuels and lubricants for personal transport equipment	0.9	135.76	136.95	137.59	0.5	1.3
07.2.3 Maintenance and repair for personal transport equipment	0.1	108.64	111.93	112.02	0.1	3.1
07.2.4 Other services in respect of personal transport equipment	0.4	112.01	113.12	113.12	0.0	1.0
07.3.2 Passenger transport by road	4.7	134.26	134.26	134.26	0.0	0.0
07.3.3 Passenger transport by air	0.2	98.29	98.29	98.29	0.0	0.0
08.1.2 Telephone and telefax equipment	0.4	103.55	103.55	103.55	0.0	0.0
08.1.3 Telephone and telefax services	0.8	100.00	100.00	100.00	0.0	0.0
09.1.1 Equipment for the reception, recording and reproduction of sound and pictures	0.7	110.86	110.82	110.60	-0.2	-0.2
09.3.1 Games, toys and hobbies	0.1	110.55	110.03	110.03	0.0	-0.5
09.4.2 Cultural services	0.3	103.78	103.78	103.78	0.0	0.0
09.4.3 Games of chance	0.3	117.71	117.71	117.71	0.0	0.0
09.5.1 Books	0.8	111.23	114.07	114.03	0.0	2.5
09.5.2 Newspapers and periodicals	0.0	106.05	106.78	106.78	0.0	0.7
09.5.4 Stationery and drawing materials	0.3	108.04	110.33	110.46	0.1	2.2
10.1.1 Pre-primary and primary education	0.7	129.28	137.03	137.03	0.0	6.0
10.1.2 Secondary education	1.3	137.14	141.35	141.35	0.0	3.1
10.1.3 Tertiary education	0.3	126.50	145.88	145.88	0.0	15.3
10.1.4 Education not definable by level (S)	0.4	100.00	100.00	100.00	0.0	0.0
11.1.1 Restaurants, cafes and the like	0.6	112.37	115.00	115.03	0.0	2.4
11.2.1 Accommodation services	0.0	122.30	125.42	125.42	0.0	2.6
12.1.1 Hairdressing salons and personal grooming establishments	0.2	111.78	112.99	112.99	0.0	1.1
12.1.3 Other appliances, articles and products for personal care	3.0	122.28	129.51	130.06	0.4	6.4
12.3.1 Jewellery, clocks and watches	0.1	105.37	105.37	105.37	0.0	0.0
12.3.2 Other personal effects	0.0	133.67	138.32	138.32	0.0	3.5
12.4.1 Social protection	0.2	120.08	121.39	121.39	0.0	1.1
12.5.3 Insurance connected with health	0.1	115.87	124.26	124.26	0.0	7.2
12.6.2 Other financial services n.e.c	0.6	114.53	119.72	120.95	1.0	5.6
12.7.1 Other services n.e.c	1.5	114.01	114.41	114.42	0.0	0.4

Annex 2: Explanations and Technical Notes

The CPI has been rebased and the new reference period is March 2010. The old series from which the official inflation rate was derived from, that is the one for eight urban towns was linked with the new series. 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 March 2010 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 March 2010 and the months preceding March were multiplied by this factor. The resulting indices were multiplied by 100/ March Index. For example, for the overall CPI, the indices backwards were multiplied by 100/244.67.

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.

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

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 (COICOP).

The weights are calculated on the basis of the 2002/03 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: Areas where monthly price data are collected

District	Area	District	Area
1. Botha-Bothe	Urban : Botha-Bothe	6. Mohale's Hoek	Urban : Mohale's hoek
	Rural : Khukhune		Rural : Ketane
	Tsime		Riverside
	Muela		Bethel
	Qalo		Masemouse
	Ha Marakabei		Mpharane
2. Leribe	Urban : Hlotse	7. Quthing	Urban: Quthing
	Maputsoe		Rural : Sixondo
	Rural : Lejone		DilliDilli
	Pitseng		Mount Moorosi
	Peka		Mphaki
	Kolonyama		
3. Berea	Urban: Teya-Teyaneng	8. Qacha's Nek	Urban: Qacha's Nek
	Rural : Mamathe		Rural : Ha Sekake
	Mapoteng		Sehlabathebe
	Makhoroana		Ha Ramat'seliso
	Sefikeng		
	Khotsi's		
	Ha Koali		
4. Maseru	Urban: Maseru	9. Mokhotlong	Urban: Mokhotlong
	Semonkong		Rural : Bobatsi
	Rural : Roma		Mapholaneng
	Likalaneng		Linakeng
	Marakabei		
	Morija		
	Matsieng		
	Mant'sebo		
5. Mafeteng	Urban: Mafeteng	10. Thaba-Tseka	Urban: Thaba-Tseka
	Rural : Ts'akholo		Rural : Mant'sonyane
	Mapotu		Sehonghong
	Motsekua		Mashai
	Van Rooyens		
	Ha Makhakhe		
	T'sita's Nek		