



STATISTICS BOTSWANA

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Botswana Owner Occupied Housing

Statistics Botswana is currently computing the Consumer Price Index excluding Owner Occupied Housing (OOH). In 2018, SB rebased its CPI i.e. computed new weights using the 2015/2016 Botswana Multi Topic Survey (BMTHS). The computation of weights included OOH weights, the weights were calculated the BMTHS data and it was discovered that the value was not the expenditures but instead it was Capital as it included Mortgages, and estimated rental values. The CPI technical working group agreed on to exclude the OOH from the CPI during the 2018. The CPI TWG included personal from different stakeholders notably: Statistics Botswana, Central Bank, Ministry of Finance and other Independent Economic entities.

Pricing of the OOH was also discussed at the TWG meetings and it was not clear on which pricing approach to be used, although rent equivalence was preferred.

A technical assistance (TA) mission was conducted by the International Monetary Fund's (IMF) Regional Technical Assistance Center for Southern Africa (AFS)¹ during November 22-26, 2021 to Statistics Botswana (SB) to review progress with the development of the producer price index (PPI).

During the mission on PPI, the OOH was discussed and SB showed that they have a regular rental survey and indicated that they would like to use the rental equivalence approach for measuring OOH in the CPI. The mission reviewed data from the SB national accounts that provides housing stock and average rental price levels. These data appear suitable to compile expenditure weights for OOH, however, it was noted that further quality assurance is needed. SB was also advised that they should consider testing the inclusion of OOH in CPI using these preliminary weights and disseminate internally within SB for assessment.