



stats sa

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27 July 2020

Update on the Consumer Price Index (CPI) for June and revised publication schedule

COVID-19 restrictions

June saw South Africa move from level 4 to level 3 of the COVID-19 lockdown. The adjusted regulations allowed a loosening of restrictions on household consumption of goods and services.

Special imputation methods were used in the April and May CPI to account for the absence of consumer expenditure on certain CPI basket items. These were documented in notes published on the Stats SA websiteⁱ and the April and May CPI statistical releasesⁱⁱ.

The extent of imputations in the June CPI is significantly lower than the previous two months. However, due to health and safety requirements, Stats SA's CPI unit is not operating at full capacity. Since the beginning of June, only two thirds of field staff could visit stores for price collection, and the distribution of these is not even across the country. Head office processing teams are functioning at approximately 50% of capacity in order to minimise the number of staff working at the office.

Two main consequences arise from these operational constraints. First, not all products have comparable prices from May and June, requiring imputation of certain elementary indices. Second, prices recorded across the country have been pooled to create national average price changes which are then applied to each elementary index at a regional level. This means that the geographic index changes will only vary according to different weights and not different price changes.

Four main treatments of price indices in June should be noted.

Directly collected and comparable prices

Prices of items collected in store, from service providers and online comprise 66% of the weight of the CPI in June.

Headline CPI imputation

An index was imputed using the headline CPI if it was banned for sale in June. Price changes for products banned for sale in May were also imputed in this way for June as there are no actual May prices available to use for comparison with actual June prices. These indices contribute 8,3% of the weight of the CPI.



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The South Africa I know, the home I understand



Periodic surveys

The prices of many services do not change every month and are therefore surveyed quarterly, six-monthly or annually according to a schedule. The standard treatment is to carry forward the value of an index if it is not due to be updated in a particular month. The weight of indices carried forward in June is 23,7%.

Class mean imputation

Due to operational constraints, it was not possible to collect comparable prices in May and June for all products. In these cases, Stats SA has imputed the average price change using the change in the next highest level aggregate index. For example, if prices for men's sports shoes were not recorded, the change in the aggregate for men's shoes would be used to impute the change. This is the standard CPI imputation method used in such cases. Indices totalling 2% of the weight of the CPI were imputed by this method in June.

Publication schedule for the remainder of 2020

During August – November the CPI will be released on the last Wednesday of the month. The expected publication dates are as follows:

CPI for month	Expected publication date
July 2020	26 August 2020
August 2020	30 September 2020
September 2020	28 October 2020
October 2020	25 November 2020
November 2020	9 December 2020

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ⁱ http://www.statssa.gov.za/?page_id=2528

ⁱⁱ http://www.statssa.gov.za/?page_id=1866&PPN=P0141