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Update on the Consumer Price Index (CPI) for August and onwards

COVID-19 restrictions

In mid-August, South Africa further eased COVID-19 lockdown regulations. With the exception of sports tickets, all items in the CPI basket were available for sale albeit with restrictions in certain cases.

Since April, products that were banned for sale have been imputed using the headline inflation rate. This method has been applied in August. In addition, products that were banned in July and for which no prices were available in that month have also been imputed.

In September, the country moved to Level 1 lockdown and all products are available for sale excluding sports tickets. This means that sports tickets, with a weight of 0,04% of the CPI basket, will continue to be imputed with the monthly change in the headline index until the month after they are available for sale.

Due to health requirements, only about 2/3 of the CPI field-based price collection team is able to visit stores to collect price data, and they are not distributed evenly through the country. As a result retail based prices recorded across all regions (including online prices) 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 (including total country) changes will in the main vary according to different weights and not different price changes.

Three main treatments of price indices in August should be noted.

Directly collected and comparable prices

Prices of items collected in store, from service providers and online comprise 55,7% of the weight of the CPI in August.

Headline CPI imputation

An index was imputed using the headline CPI if it was banned for sale in August or July. These indices contribute 4,1% of the weight of the CPI in August.

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 August is 40,2%.

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