



stats sa

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Update on the Consumer Price Index (CPI) for July

COVID-19 restrictions

The collection and compilation practices for the CPI largely normalised in July in the context of further easing of lockdown restrictions.

Due to health and safety requirements, Stats SA's CPI unit is not operating at full capacity. More specifically, approximately 1/3 of our field-based price collection team is classified as vulnerable and therefore not able to visit stores to collect price information. Available field staff are not distributed evenly through the country. As a result 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 changes will only vary according to different weights and not different price changes.

Since April, products that were banned for sale have been imputed using the headline inflation rate. This method has been applied in July. Alcoholic beverages were available for sale in part of June and part of July. The month-on-month inflation rates recorded for alcoholic beverages in the July CPI are based on prices recorded during these two months and are not imputed.

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

Directly collected and comparable prices

Prices of items collected in store, from service providers and online comprise 63,8% of the weight of the CPI in July.

Headline CPI imputation

An index was imputed using the headline CPI if it was banned for sale in July. Price changes for products banned for sale in June were also imputed in this way for July as there are no actual June prices available to use for comparison with actual July prices. These indices contribute 4,5% of the weight of the CPI.

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 July is 31,7%.

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