# Discussion paper Consumer Price Index – Rural areas and total country March 2004



#### **EXECUTIVE SUMMARY**

### **KEY FIGURES AT MARCH 2004**

		Indices (2000=100)		Perce	Percentage change		
Main indices	March 2003	February 2004	March 2004	February 2004 and March 2004		March 2003 and March 2004	
					Seasonally		
				Actual	adjusted	Actual	
				%	<b>%</b> 1/	%	
CPI for rural areas	125,7	126,8	127,7	+ 0,7		+ 1,6	
CPI excluding interest rates on mortgage bonds (CPIX) for rural							
areas	126,4	129,2	130,2	+ 0,8		+ 3,0	
CPI for total country	124,2	124,4	125,2	+ 0,6		+ 0,8	
CPI excluding interest rates on mortgage bonds (CPIX) for total							
country	125,0	129,3	130,2	+ 0,7		+ 4,2	

<sup>1/</sup> Data for at least 36 months are needed to calculate seasonally adjusted figures

### **KEY FINDINGS AT MARCH 2004**

Inflation rate for the rural areas is 1,6% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003)

The inflation rate for the rural areas is 1,6% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 1,8% at February 2004 (see table 3.2.1, p.9). This lower rate at March 2004 can be explained by decreases in the annual rates of change for:

- The CPI for personal care for which the rate decreased from 7,5% at February 2004 to a lower rate of 4,8% at March 2004.
- The CPI for transport for which the rate decreased from 1,9% at February 2004 to a lower rate of 0,6% at March 2004
- The CPI for food for which the rate decreased from 1,5% at February 2004 to a lower rate of 1,2% at March 2004.

However, these annual decreases were slightly counteracted by an annual increase in the annual rate of change for:

• The CPI for cigarettes, cigars and tobacco for which the rate increased from 8,1% at February 2004 to a higher rate of 10,4% at March 2004.

From February 2004 to March 2004 the Consumer Price Index for the rural areas increased by 0,7%.

The annual increase of 1,6% in the Consumer Price Index for the rural areas is mainly due to annual increases in the price indices for household operation (+ 0,8 of a percentage point), food (+ 0,3 of a percentage point), personal care (+ 0,2 of a percentage point), education (+ 0,2 of a percentage point), alcoholic beverages (+ 0,2 of a percentage point), fuel and power (+ 0,2 of a percentage point), medical care and health expenses (+ 0,2 of a percentage point) and cigarettes, cigars and tobacco (+ 0,2 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for "other" products (- 0,4 of a percentage point), housing (- 0,3 of a percentage point), clothing and footwear (- 0,1 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.3, p.10).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the rural areas is 3,0% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is 3,0% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 3,2% at February 2004 (see table 3.2.2, p.9). From February 2004 to March 2004 the CPIX for the rural areas increased by 0,8%.

The annual increase of 3,0% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is mainly due to annual increases in the price indices for household operation (+ 0,9 of a percentage point), food (+ 0,7 of a percentage point), medical care and health expenses (+ 0,4 of a percentage point), fuel and power (+ 0,3 of a percentage point) and housing (+ 0,3 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for "other" products (- 0,3 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.5, p.10).

Inflation rate for the total country is 0,8% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003)

The inflation rate for the total country is 0,8% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003). This rate is 0,3 of a percentage point lower than the corresponding annual rate of 1,1% at February 2004 (see table 4.2.1, p.19). This lower rate at March 2004 can be explained by decreases in the annual rates of change for:

- The CPI for food for which the rate decreased from 2,4% at February 2004 to a lower rate of 2,2% at March 2004.
- The CPI for transport for which the rate decreased from 2,2% at February 2004 to a lower rate of 0,3% at March 2004.

However, these annual decreases were slightly counteracted by an annual increase in the annual rate of change for:

• The CPI for cigarettes, cigars and tobacco for which the rate increased from 9,8% at February 2004 to a higher rate of 12,3% at March 2004.

From February 2004 to March 2004 the Consumer Price Index for the total country increased by 0,6%.

The annual increase of 0,8% in the Consumer Price Index for the total country is mainly due to annual increases in the price indices for medical care and health expenses (+ 0,7 of a percentage point), food (+ 0,6 of a percentage point) and household operation (+ 0,6 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for housing (- 1,9 percentage points), "other" products (- 0,2 of a percentage point), clothing and footwear (- 0,1 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 4.3, p.20).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the total country is 4,2% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is 4,2% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 4,4% at February 2004. From February 2004 to March 2004 the CPIX for the total country increased by 0,7%.

The annual increase of 4.2% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is mainly due to annual increases in the price indices for housing (+ 1,0 percentage point), medical care and health expenses (+ 0,8 of a percentage point), household operation (+ 0,7 of a percentage point), food (+ 0,6 of a percentage point) and education (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for "other" products ( - 0,2 of a percentage point) and clothing and footwear (- 0,1 of a percentage point) (see table 4.5, p.20).

P J Lehohla

Statistician-General: Statistics South Africa

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### **RURAL AREAS**

Stats SA introduced a CPI for the rural areas as well as for the total country as from May 2003, based on the prices monitored in the smaller towns, as no pricing surveys are undertaken in the rural areas. But, the actual weights for the rural areas were obtained from information received from the Survey of Income and Expenditure of Households, which was conducted in October 2000.

### **RURAL AREAS**

### **KEY FIGURES AT MARCH 2004**

Table B - Consumer Price Index (CPI) and the inflation rate for the rural areas according to main indices

		Indices (2000=100)		Percentage change between			
Main indices	March 2003	February 2004	March 2004	8	ary 2004 and ch 2004	March 2003 and March 2004	
	2000				Seasonally		
				Actual	adjusted	Actual	
				%	% 1/	%	
CPI	125,7	126,8	127,7	+ 0,7		+ 1,6	
CPI excluding interest rates on mortgage bonds (CPIX)	126,4	129,2	130,2	+ 0,8		+ 3,0	
Core index	124,7	128,3	129,3	+ 0,8		+ 3,7	
Food price index	138,5	139,8	140,2	+ 0,3		+ 1,2	
CPI excluding food price index	116,4	117,3	118,6	+ 1,1		+ 1,9	
CPI excluding Value Added Tax (VAT)	125,7	126,8	127,7	+ 0,7		+ 1,6	

<sup>1/</sup> Data for at least 36 months are needed to calculated seasonally adjusted figures

### **KEY FINDINGS AT MARCH 2004**

Inflation rate for the rural areas is 1,6% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003)

The inflation rate for the rural areas is 1,6% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 1,8% at February 2004 (see table 3.2.1, p.9). This lower rate at March 2004 can be explained by decreases in the annual rates of change for:

- The CPI for personal care for which the rate decreased from 7,5% at February 2004 to a lower rate of 4,8% at March 2004.
- The CPI for transport for which the rate decreased from 1,9% at February 2004 to a lower rate of 0,6% at March 2004.
- The CPI for food for which the rate decreased from 1,5% at February 2004 to a lower rate of 1,2% at March 2004.

However, these annual decreases were slightly counteracted by an annual increase in the annual rate of change for:

• The CPI for cigarettes, cigars and tobacco for which the rate increased from 8,1% at February 2004 to a higher rate of 10,4% at March 2004.

From February 2004 to March 2004 the Consumer Price Index for the rural areas increased by 0,7%.

The annual increase of 1,6% in the Consumer Price Index for the rural areas is mainly due to annual increases in the price indices for household operation (+ 0,8 of a percentage point), food (+ 0,3 of a percentage point), personal care (+ 0,2 of a percentage point), education (+ 0,2 of a percentage point), alcoholic beverages (+ 0,2 of a percentage point), fuel and power (+ 0,2 of a percentage point), medical care and health expenses (+ 0,2 of a percentage point) and cigarettes, cigars and tobacco (+ 0,2 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for "other" products (- 0,4 of a percentage point), housing (- 0,3 of a percentage point), clothing and footwear (- 0,1 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.3, p.10).

From February 2004 to March 2004 the Consumer Price Index for the rural areas increased by 0,7%. This monthly increase is due to monthly increases in the price indices for education (+ 0,3 of a percentage point), food (+ 0,1 of a percentage point), alcoholic beverages (+ 0,1 of a percentage point), cigarettes, cigars and tobacco (+ 0,1 of a percentage point) and clothing and footwear (+ 0,1 of a percentage point) (see table 3.4, p.10).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the rural areas is 3,0% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is 3,0% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 3,2% at February 2004 (see table 3.2.2, p.9). From February 2004 to March 2004 the CPIX for the rural areas increased by 0,8%.

The annual increase of 3,0% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is mainly due to annual increases in the price indices for household operation (+0,9) of a percentage point, food (+0,7) of a percentage point, medical care and health expenses (+0,4) of a percentage point, fuel and power (+0,3) of a percentage point and housing (+0,3) of a percentage point. These annual increases were partially counteracted by annual decreases in the price indices for "other" products (-0,3) of a percentage point) and recreation and entertainment (-0,1) of a percentage point) (see table 3.5, p.10).

From February 2004 to March 2004 the Consumer Price Index excluding the interest rate on mortgage bonds for the rural areas increased by 0,8%. This monthly increase is due to monthly increases in the price indices for education (+ 0,4 of a percentage point), food (+ 0,1 of a percentage point), non-alcoholic beverages (+ 0,1 of a percentage point) and cigarettes, cigars and tobacco (+ 0,1 of a percentage point) (see table 3.6, p.10).

### **Core inflation rate**

The core inflation rate for the rural areas (see explanatory notes 33, 34 and 35 on page 34) is 3,7% at March 2004 (i.e. the core index at March 2004 compared with that at March 2003). This rate is 0,3 of a percentage point lower than the corresponding annual rate of 4,0% at February 2004. From February 2004 to March 2004 the core index for the rural areas increased by 0,8%.

The annual increase of 3.7% in the Core Index for the rural areas is mainly due to annual increases in the price indices for household operation (+ 1.2 percentage points), food (+ 0.7 of a percentage point), medical care and health expenses (+ 0.4 of a percentage point), alcoholic beverages (+ 0.3 of a percentage point), personal care (+ 0.3 of a percentage point) and education (+ 0.3 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for clothing and footwear (- 0.1 of a percentage point) and recreation and entertainment (- 0.1 of a percentage point) (see table 3.7, p.11).

From February 2004 to March 2004 the Core Index for the rural areas increased by 0,8%. This monthly increase is due to monthly increases in the price indices for education (+ 0,3 of a percentage point), food (+ 0,2 of a percentage point), non-alcoholic beverages (+ 0,1 of a percentage point) and cigarettes, cigars and tobacco (+ 0,1 of a percentage point) (see table 3.8, p.11).

### **Food inflation**

The price index for food reflects an annual rate of change of 1,2% at March 2004 (i.e. the CPI for food at March 2004 compared with that at March 2003), which is 0,3 of a percentage point lower than the corresponding annual rate of 1,5% at February 2004. From February 2004 to March 2004 this index increased by 0,3%.

Annual increases occurred in the price indices for fruit and nuts (+25,8%), vegetables (+10,2%), "other" food products (+7,6%), milk, cheese and eggs (+5,1%), sugar (+4,2%), fats and oils (+3,2%), coffee, tea and cocoa (+3,0%) and fish and other seafood (+1,4%). These annual increases were partially counteracted by annual decreases in the price indices for grain products (-6,5%) and meat (-3,0%). (see table 3.9, p.12).

Monthly increases occurred in the price indices for fruit and nuts (+1,9%), vegetables (+1,9%), fish and other seafood (+1,5%), fats and oils (+0,8%), milk, cheese and eggs (+0,7%) and grain products (+0,5%). These monthly increases were partially counteracted by monthly decreases in the price indices for sugar (-1,8%), meat (-0,6%), "other" food products (-0,3%) and coffee, tea and cocoa (-0,1%) (see table 3.9, p.12).

### Price index for non-food items

The price index for non-food items reflects an annual rate of increase of 1,9% at March 2004 (i.e. the CPI for non-food items at March 2004 compared with that at March 2003), which is 0,1 of a percentage point lower than the corresponding annual rate of 2,0% at February 2004. From February 2004 to March 2004 this index increased by 1,1%.

Relatively large annual increases occurred in the price indices for household operation (+ 14,8%), alcoholic beverages (+ 10,8%), cigarettes, cigars and tobacco (+ 10,4%), medical care and health expenses (+ 10,3%), education (+ 8,2%), non-alcoholic beverages (+ 6,9%) and fuel and power (+ 4,0%). These annual increases were slightly counteracted by relatively large annual decreases in the price indices "other" products (- 12,6%), housing (- 7,1%) and recreation and entertainment (- 4,6%) (see table 3.9, p.12).

Relatively large monthly increases occurred in the price indices for education (+ 8,2%), cigarettes, cigars and tobacco (+ 4,1%), non-alcoholic beverages (+ 4,0%) and alcoholic beverages (+ 3,9%). These monthly increases were partially counteracted by monthly decreases in the price indices for personal care (- 0,2%) and recreation and entertainment (- 0,1%) (see table 3.9, p.12).

Table 3.1 - Expenditure group and area indices of the Consumer Price Index and percentage change for the rural areas

   	     	Indices (2000=100)		   Percentage change between 				
Expenditure group/Area indices	         Mar	Feb	         Mar	i	Feb 2004 and Mar 2004	Mar 2003 and Mar 2004		
	2003	2004	2004	   Actual   %	Seasonally adjusted % 1/	Actual		
Expenditure group indices			 					
   Very low expenditure 	   132,9 	134,7	   135,4 	   +0,5 		+1,9		
Low expenditure	   131,4 	133,2	   133,9 	+0,5		+1,9		
   Middle expenditure	   128,3 	   130,6	   131,4 	   +0,6		+2,4		
High expenditure	125,2	128,7	   129,7 	+0,8		+3,6		
   Very high expenditure	121,6	120,9	121,8	+0,7		+0,2		
All expenditure groups	125,7	126,8	127,7	+0,7		+1,6		
CPI excluding interest rates on mortgage bonds (CPIX)	126,4	129,2	130,2	+0,8		+3,0		
Core index	124,7	128,3	129,3	+0,8		+3,7		
Food only index	138,5	139,8	140,2	+0,3		+1,2		
  CPI excluding food	116,4	117,3	118,6	+1,1		+1,9		
  CPI excluding VAT	125,7	126,8	127,7	+0,7		+1,6		

<sup>1/</sup> Data for at least 36 months are needed to calculate seasonally adjusted figures.

Table 3.2.1 - The Consumer Price Index and the annual inflation rate on a monthly basis for the rural areas

	Base year: 2000 = 100													
Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.   Ave.	
	Index  % 1)	110,1	111,3	113,2	115,2	116,1	117,5	119,0	120,2	121,8	122,9	123,4	123,7  117,9	2)
2003	Index  % 1)	125,1 +13,6	124,6  +11,9	125,7  +11,0	125,8 +9,2	126,1  +8,6	126,3 +7,5	126,2  +6,1	126,2 +5,0	126,0 +3,4	125,7 +2,3	125,1  +1,4	125,1   125,7 +1,1   +6,6	2)
2004	Index  % 1)	126,0 +0,7	126,8  +1,8	127,7  +1,6		 		 	 				::  ::	2)

Table 3.2.2 - The Consumer Price Index excluding interest rates on mortgage bonds on a monthly basis for the rural areas

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	======= Ave.
	Index  % 1)	111,1	112,1	114,1	116,0	116,9	118,7	119,6	120,8	122,6	123,5	123,9	124,2	118,6
2003	Index  % 1)	125,7	125,2 +11,7	126,4 +10,8	126,5 +9,1	126,7	127,0 +7,0	127,3 +6,4	127,4 +5,5	127,5 +4,0	127,5 +3,2	127,3	127,2 +2,4	126,8   +6,9 2)
	Index  % 1)	128,4	129,2	130,2 +3,0							 			2)

 <sup>% =</sup> annual inflation rate
 Average annual inflation rate

Table 3.3 - Contributions of different groups to the annual percentage change in the CPI for the rural areas

Group	Contribution at   February 2004	Contribution at     March 2004
Food	0,4	0,3
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,0	0,2
Clothing and footwear	-0,1	-0,1
Housing	-0,3	-0,3
Fuel and power	0,2	0,2
Household operation	0,8	0,8
Medical care and health expenses	0,2	0,2
Transport	0,3	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,2	0,2
Personal care	0,3	0,2
Other	-0,4	-0,4
All groups	1,8	1,6

Table 3.4 - Contributions of different groups to the monthly percentage change in the CPI for the rural areas

Group	Contribution at   February 2004	Contribution at
Food	0,2	0,1
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,0	0,1
Clothing and footwear	0,0	0,1
Medical care and health expenses	0,0	0,0
Transport	0,2	0,0
Education	0,0	0,3
Personal care	0,1	0,0
All groups	0,6	0,7

Table 3.5 - Contributions of different groups to the annual percentage change in the CPIX for the rural areas

Group | Contribution at | Contribution at |

Group	Contribution at   February 2004	Contribution at March 2004
Food	0,8	0,7
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Housing	0,3	0,3
Fuel and power	0,3	0,3
Household operation	0,9	0,9
Medical care and health expenses	0,4	0,4
Recreation and entertainment	-0,1	-0,1
Education	0,2	0,2
Personal care	0,3	0,2
Other	-0,3	-0,3
All groups	3,2	3,0

Table 3.6 - Contributions of different groups to the monthly percentage change in the CPIX for the rural areas

| Contribution at | Contribution at | February 2004 | March 2004 Group February 2004 Food 0,2 0,1 Non-alcoholic beverages 0,0 0,1 Alcoholic beverages 0,1 0,1 Cigarettes, cigars and tobacco 0,0 0,1 Household operation 0,1 0,0 Transport 0,1 0,0 Education 0.0

Table 3.7 - Contributions of different groups to the annual percentage change in the Core index for the rural areas

Group	Contribution at   February 2004	Contribution at     March 2004
Food	0,8	0,7
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,3	0,3
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing	0,1	0,1
Fuel and power	0,1	0,1
Furniture and equipment	0,0	0,1
Household operation	1,2	1,2
Medical care and health expenses	0,4	0,4
Transport	0,2	0,1
Communication	0,1	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,3	0,3
Personal care	0,5	0,3
All groups	4,0	3,7

Table 3.8 - Contributions of different groups to the monthly percentage change in the Core index for the rural areas

	Group	Contribution at     February 2004	Contribution at   March 2004
	Food	0,3	0,2
	Non-alcoholic beverages	0,0	0,1
	Alcoholic beverages	0,1	0,1
	Cigarettes, cigars and tobacco	0,0	0,1
	Household operation	0,1	0,0
	Transport	0,2	0,0
	Education	0,0	0,3
ĺ	Personal care	0,1	0,0
	All groups	0,8	0,8

Table 3.9 - Consumer Price Index group and product indices and percentage change for the rural areas

Indices Percentage change (2000=100) between Group/Product | Weights | ------Feb 2004 Mar 2003 and and and and Mar 2004 +0,7 CPI: All items 100,00 | 125,7 126,8 127,7 
 12,19
 132,9
 134,7
 135,4
 +0,5

 15,22
 131,4
 133,2
 133,9
 +0,5

 26,12
 128,3
 130,6
 131,4
 +0,6

 19,87
 125,2
 128,7
 129,7
 +0,8

 26,60
 121,6
 120,9
 121,8
 +0,7
 Expenditure groups - Very low +1.9 Low +1.9 Middle +2,4 Hiah Very high +0,2 129,9 130,6 119,0 120,4 81,08 | 128,1 18,92 | 119,7 +0,5 Commodities +2.0 +1,2 +0,6 Services 95,48 | 126,1 127,6 CPI: All items, excluding housing 128,5 +0,7 +1,9 56,99 116,4 CPI: All items, excluding food 117,3 118,6 +1,1 +1,9 Food 43,01 | 138,5 139,8 140,2 +0,3 +1,2 140,2 140,1 140,0 140,3 140,2 139,9 Expenditure groups - Very low 62,27 | 139,8 +0,2 +0.3 59,07 | 139,6 | 139,7 53,26 | 138,6 | 139,6 40,37 | 137,7 | 139,9 LOW +0,3 +0,4 Middle +0,3 +1.0 High +0,3 +1,9 Very high 17,18 | 137,4 139,9 +0,2 +2,0 21,13 | 134,1 140,3 21,88 | 142,9 139,3 140,5 | +0,1 139,9 | +0,4 Processed Unprocessed -2,1 +0,5 -0,6 +1,5 133,3 16,36 İ -6.5 Grain products 141,7 -3,0 Meat Fish and other seafood 147,5 | 145,4 | 141,2 | 154,6 | 133,0 | 123,8 | 126,5 | 124,6 | 133,7 +1,4 148,4 Milk, cheese and eggs +0,7 +5,1 159,5 167,3 136,4 131,8 128,4 143,9 159,5 167,3 Fats and oils +0,8 +3 2 158,3 Fruit and nuts 1,39 +1,9 +25.8 Vegetables 3,42 133,8 136,4 134,2 131,8 128,5 128,4 144,3 143,9 133,8 +1,9 +10,2 Sugar 2,44 -1,8 +4,2 Coffee, tea and cocoa 1,55 -0,1 +3,0 Other 4,74 -0,3 +7,6 139,8 1,72 | 130,8 2,27 | 126,0 Non-alcoholic beverages 134,4 134,3 +4.0 +6.9 126,0 +3,9 +10,8 Alcoholic beverages Cigarettes, cigars and tobacco 1,03 | 134,6 142.7 148.6 +4.1 +10.4 5,40 | 99,9 3,34 | 97,2 2,06 | 104,2 98,4 97,8 99,4 Clothing and footwear -1.4 Clothing +0,6 Footwear -4,3 123,1 113,3 114,4 111,1 115,5 115,5 Housing 4,52 | 6,06 | 4,52 +1.0 Fuel and power 0.0 +4,0 
 4,46
 113,0
 113,7
 114,8

 2,13
 114,5
 118,9
 120,8

 0,94
 114,1
 112,2
 112,1
 Furniture and equipment +1,0 +1,6 Furniture +1,6 +5,5 Appliances -0,1 -1,8 Other household equipment and 109.3 +0.9 -0.9 textiles 1.39 110.3 108.3 5,78 123,9 141,9 140,2 145,6 141,9 142,2 +0,2 +14,8 Household operation Household consumables 3,48 134,7 141,0 +0,6 +4,7 Domestic workers 1,98 115,0 145,3 -0,2 +26,3 Other household services 0,32 106,3 109,6 110,9 +1,2 +4,3 Medical care and health expenses 3,07 129,7 142,3 143,1 +0,6 +10,3 +0,6 Transport Vehicles +0,6 Running cost +0.5 Public and hired transport +0,5 1,17 | 123,5 | 125,3 | 1,26 | 103,2 | 98,6 | 0,29 | 112,4 | 116,6 | 2,99 | 132,6 | 132,6 | 5,06 | 129,8 | 136,3 | 2,62 | 111,1 | 97,0 Communication +1,5 Recreation and entertainment -4,6 Reading matter +3,9 Education +8,2 Personal care +4.8 Other -12,6

Table 3.10 - Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the rural areas

Indices Percentage change (2000=100) between Group/Product |Weights|-----Feb 2004 | Mar 2003 and and and and Mar 2004 Mar 2004 +0,8 CPI: All items 100,00 | 126,4 129,2 130,2 
 12,38
 133,0
 134,9
 135,6
 +0,5

 15,45
 131,5
 133,4
 134,1
 +0,5

 26,43
 128,5
 131,1
 132,0
 +0,7

 20,18
 125,3
 128,8
 129,8
 +0,8

 25,56
 122,5
 125,7
 126,8
 +0,9
 Expenditure groups - Very low +2.0 +2.0 Low Middle +2,7 Hiah Very high +3,5 130,2 130,9 126,4 128,1 +0,5 82,35 | 128,3 Commodities +2.0 Services 120,4 17,65 +1,3 +6,4 CPI: All items, excluding housing 96,98 | 126,3 128,9 129,8 +0,7 +2,8 56,30 116,9 121,1 CPI: All items, excluding food 122,6 +1,2 +4,9 Food 43,70 | 138,5 139,8 140,2 +0,3 +1,2 62,27 | 139,8 | 139,9 59,07 | 139,6 | 139,7 53,26 | 138,6 | 139,6 40,37 | 137,7 | 139,9 140,2 140,1 140,0 140,3 140,2 Expenditure groups - Very low +0,2 +0.3 LOW +0,3 +0,4 Middle +0,3 +1.0 High +0,3 +1,9 3 +0,5 ,7 -0,6 ,5 +1,' .8,4 +0 59,5 +C 167,3 + 136,4 131,8 128,4 143,9 Very high 18,15 | 137,4 139,9 +0,2 +2,0 21,56 | 134,1 140,3 22,14 | 142,9 139,3 Processed Unprocessed -2,1 16,63 -6.5 Grain products -3,0 Meat Fish and other seafood +1,4 145,4 141,2 154,6 133,0 123,8 126,5 124,6 133,7 Milk, cheese and eggs +5,1 Fats and oils +3 2 158,3 164,2 Fruit and nuts 1,41 +25.8 133,8 136,4 134,2 131,8 128,5 128,4 144,3 143,9 Vegetables 3,48 +10,2 Sugar 2,48 +4,2 -1,8 -0,1 -0,3 Coffee, tea and cocoa 1,57 +3,0 Other 4.81 +7,6 139,8 1,75 | 130,8 2,32 | 126,0 Non-alcoholic beverages 134,4 134,3 +6.9 +10,8 Alcoholic beverages Cigarettes, cigars and tobacco 1,04 | 134,6 142.7 148.6 +4.1 +10.4 99,7 +0,1 99,8 0,0 99,7 +0,3 5,49 | 100,6 3,40 | 98,4 2,09 | 104,2 99,6 99,8 99,4 Clothing and footwear -0.9 Clothing +1.4 Footwear -4,3 127,4 139,8 111,1 115,5 141,8 | +1,4 115,5 | 0,0 Housing 3,02 | 6,17 | 3,02 +11.3 Fuel and power 0.0 +4,0 Furniture and equipment 4,53 +1,5 Furniture 2,16 +5,5 Appliances 0,95 -1,7 Other household equipment and 108.3 109.3 +0.9 textiles 1.42 110.4 -1.0 5,87 123,9 141,9 142,2 +0,2 +14,8 Household operation 141,9 140,2 145,6 Household consumables 3,53 134,7 140,2 141,0 +0,6 +4,7 Domestic workers 2,02 115,0 145,3 -0,2 +26,3 Other household services 0,32 106,3 109,6 110,9 +1,2 +4,3 Medical care and health expenses 3,11 129,7 142,3 143,1 +0,6 +10,3 
 9,45
 114,4
 114,5
 115,0
 +0,4

 2,63
 113,5
 114,2
 114,3
 +0,1

 4,10
 122,5
 121,8
 123,1
 +1,1

 2,72
 101,6
 102,0
 102,0
 0,0
 +0,5 Transport +0,7 Vehicles Running cost +0.5 Public and hired transport 2,72 | 101,6 +0,4 
 1,13
 122,7
 124,9

 1,28
 103,4
 98,8

 0,29
 112,5
 116,8

 3,04
 132,6
 132,6

 5,14
 129,8
 136,3

 2,67
 112,5
 96,6
 Communication +1,8 Recreation and entertainment -4,5 Reading matter +4,0 Education +8,2 Personal care +4.8 Other -14,0

Table 3.11 - Consumer Price Index group and product indices according to COICOP1) and percentage change for the rural areas

Indices Percentage change (2000=100) between Group/Product | Weights |------Feb 2004 | Mar 2003 and | and Mar 2004 | Mar 2004 and and +0,7 CPI: All items 100,00 | 125,7 126,8 127,7 
 12,19
 132,9
 134,7
 135,4
 +0,5

 15,22
 131,4
 133,2
 133,9
 +0,5

 26,12
 128,3
 130,6
 131,4
 +0,6

 19,87
 125,2
 128,7
 129,7
 +0,8

 26,60
 121,6
 120,9
 121,8
 +0,7
 Expenditure groups - Very low +1.9 Low +1.9 Middle +2,4 Hiah Very high +0,2 129,9 130,6 119,0 120,4 81,08 | 128,1 +0,5 Commodities +2.0 18,92 119,7 +1,2 Services +0,6 95,48 | 126,1 CPI: All items, excluding housing 127,6 128,5 +0,7 +1,9 58,54 116,4 117,3 118,6 CPI: All items, excluding food +1,1 +1,9 Food, beverages and tobacco 48,03 | 137,4 139,5 140,4 +0,6 +2,2 Food excluding coffee, tea and cocoa 41,46 | 138,7 139,9 140,3 +0,3 +1,2 132,7 142,5 145,3 147,3 158,3 164,2 133,8 134,2 144,3 133,3 +0,5 141,7 -0,6 16,36 | 8,00 | 142.6 132.7 -6.5 Grain products -3,0 146,1 -0,6 Meat Fish and other seafood 1,17 | 145,4 +1,4 Milk, cheese and eggs 2,55 +5,1 154,6 133,0 123,8 126,5 133,7 Fats and oils 1,39 +3,2 Fruit and nuts 1,39 +25.8 Vegetables 3,42 +10.2 2,44 Sugar +4,2 -0,3 Other 4,74 +7,6 136,5 128,4 139,8 139,6 127,1 132,7 124,6 128,5 130,8 134,4 126,0 134,3 5,54 +2.9 +7.4 0,1 +4,0 +3,9 1,55 1,72 Coffee, tea and cocoa +3.0 Non-alcoholic beverages +6.9 Alcoholic beverages 2,27 +10,8 1,03 | 134,6 142,7 148,6 Cigarettes, cigars and tobacco +4.1 +10.4 
 5,40
 99,9
 98,4
 98,5
 +0,1

 3,34
 97,2
 97,8
 97,8
 0,0

 2,06
 104,2
 99,4
 99,7
 +0,3
 Clothing and footwear -1.4 Clothing +0,6 Footwear -4,3 Housing, water, electricity, gas and other fuels | 10,58 | 121,7 | 117,5 | 118,0 | +0,4 | Housing | 4,52 | 123,1 | 113,3 | 114,4 | +1,0 | Fuel and power | 6,06 | 111,1 | 115,5 | 115,5 | 0,0 -3 N -7.1 +4,0 Furnishings, household equipment and routine 10,24 | 118,9 129,2 4,46 | 113,0 113,7 2,13 | 114,5 118,9 0,94 | 114,1 112,2 129,8 +0,5 114,8 +1,0 120,8 +1,6 112,1 -0,1 maintenance of the house +9,2 Furniture and equipment +1.6 Furniture +5.5 Appliances -1,8 Other household equipment and Household operation textiles 1,39 110,3 108,3 -0.9 141,9 140,2 145,6 109,6 +0,6 5,78 | 123,9 3,48 | 134,7 1,98 | 115,0 5.78 123.9 +14.8 Household consumables +4,7 Domestic workers +26.3 Other household services 0.32 | 106.3 +4.3 Health (Medical care and health expenses) 3,07 | 129,7 142,3 143,1 +0,6 +10,3 
 9,29
 113,0
 113,2
 113,7
 +0,4

 2,59
 113,3
 114,0
 114,0
 0,0

 4,02
 119,5
 119,0
 120,1
 +0,9

 2,68
 101,5
 101,9
 102,0
 +0,1
 +0.6 Transport Vehicles +0,6 4,02 +0.5 Running cost Public and hired transport +0,5 -0,1 -0,1 +0,2 1,55 | 105,4 1,26 | 103,2 0,29 | 112,4 102,7 102,6 98,6 98,5 116,6 116,8 Leisure, entertainment and culture -2.7 Recreation and entertainment -4.6 Reading matter +3.9 2,99 | 132,6 132,6 143,5 116,3 123,5 125,3 129,8 136,3 111,1 116,2 | -0,1 125,3 | 0,0 136,0 | -0,2 97,1 | +0,1 8,85 Miscellaneous goods and services -2 1 Communication 1,17 +1.5 Personal care 5,06 +4,8 -12.6 Other

<sup>1)</sup>  ${\tt COICOP}$  =  ${\tt Classification}$  of individual consumption by purpose

# **TOTAL COUNTRY**

### TOTAL COUNTRY

### **KEY FIGURES AT MARCH 2004**

Table D - Consumer Price Index (CPI) and the inflation rate for the total country according to main indices

Table D – Consumer Frice Index		Indices (2000=100)		Percentage change between			
Main indices	March 2003	February 2004	March 2004	February 2004 and March 2004		March 2003 and March 2004	
				Actual %	Seasonally adjusted % 1/	Actual %	
CPI	124,2	124,4	125,2	+ 0,6		+ 0,8	
CPI excluding interest rates on mortgage bonds (CPIX)	125,0	129,3	130,2	+ 0,7		+ 4,2	
Core index	123,9	128,5	129,6	+ 0,9		+ 4,6	
Food price index	134,2	137,1	137,1	0,0		+ 2,2	
CPI excluding food price index	120,9	120,2	121,3	+ 0,9		+ 0,3	
CPI excluding Value Added Tax (VAT)	124,2	124,4	125,2	+ 0,6		+ 0,8	

<sup>1/</sup> Data for at least 36 months are needed to calculated seasonally adjusted figures

### **KEY FINDINGS AT MARCH 2004**

Inflation rate for the total country is 0,8% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003)

The inflation rate for the total country is 0,8% at March 2004 (i.e. the CPI at March 2004 compared with that at March 2003). This rate is 0,3 of a percentage point lower than the corresponding annual rate of 1,1% at February 2004 (see table 4.2.1, p.19). This lower rate at March 2004 can be explained by decreases in the annual rates of change for:

- The CPI for food for which the rate decreased from 2,4% at February 2004 to a lower rate of 2,2% at March 2004.
- The CPI for transport for which the rate decreased from 2,2% at February 2004 to a lower rate of 0,3% at March 2004.

However, these annual decreases were slightly counteracted by an annual increase in the annual rate of change for:

• The CPI for cigarettes, cigars and tobacco for which the rate increased from 9,8% at February 2004 to a higher rate of 12,3% at March 2004.

From February 2004 to March 2004 the Consumer Price Index for the total country increased by 0,6%.

The annual increase of 0.8% in the Consumer Price Index for the total country is mainly due to annual increases in the price indices for medical care and health expenses (+ 0.7 of a percentage point), food (+ 0.6 of a percentage point) and household operation (+ 0.6 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for housing (- 1.9 percentage points), "other" products (- 0.2 of a percentage point), clothing and footwear (- 0.1 of a percentage point) and recreation and entertainment (- 0.1 of a percentage point) (see table 4.3, p.20).

From February 2004 to March 2004 the Consumer Price Index for the total country increased by 0,6%. This monthly increase is due to monthly increases in the price indices for education (+ 0,3 of a percentage point), transport (+ 0,1 of a percentage point, mainly due to a 9c\l increase in the price of petrol), cigarettes, cigars and tobacco (+ 0,1 of a percentage point) and alcoholic beverages (+ 0,1 of a percentage point) (see table 4.4, p.20).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the total country is 4,2% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is 4,2% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 4,4% at February 2004. From February 2004 to March 2004 the CPIX for the total country increased by 0,7%.

The annual increase of 4.2% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is mainly due to annual increases in the price indices for housing (+ 1,0 percentage point), medical care and health expenses (+ 0,8 of a percentage point), household operation (+ 0,7 of a percentage point), food (+ 0,6 of a percentage point) and education (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for "other" products ( - 0,2 of a percentage point) and clothing and footwear (- 0,1 of a percentage point) (see table 4.5, p.20).

From February 2004 to March 2004 the Consumer Price Index excluding the interest rate on mortgage bonds for the total country increased by 0.7%. This monthly increase is due to monthly increases in the price indices for education (+ 0.3 of a percentage point), transport (+ 0.1 of a percentage point, mainly due to a  $9c\$  increase in the price of petrol), alcoholic beverages (+ 0.1 of a percentage point), cigarettes, cigars and tobacco (+ 0.1 of a percentage point) and housing (+ 0.1 of a percentage point) (see table 4.6, 9.20).

### **Core inflation rate**

The core inflation rate for the total country (see explanatory notes 33, 34 and 35 on page 34) is 4,6% at March 2004 (i.e. the core index at March 2004 compared with that at March 2003). This rate is 0,4 of a percentage point lower than the corresponding rate of 5,0% at February 2004. From February 2004 to March 2004 the core index for the total country increased by 0,9%.

The annual increase of 4,6% in the Core Index, for the total country is mainly due to annual increases in the price indices for medical care and health expenses (+1,1) percentage points), household operation (+1,0) percentage point), housing (+0,5) of a percentage point), education (+0,5) of a percentage point), food (+0,4) of a percentage point), and personal care (+0,3) of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for recreation and entertainment (-0,1) of a percentage point) (see table 4.7, p.21).

From February 2004 to March 2004 the Core Index for the total country increased by 0,9%. Monthly increases occurred in the price indices for education (+ 0,4 of a percentage point), transport (+ 0,1 of a percentage point mainly due to a  $9c\$  increase in the price of petrol), non-alcoholic beverages (+ 0,1 of a percentage point), alcoholic beverages (+ 0,1 of a percentage point), cigarettes, cigars and tobacco (+ 0,1 of a percentage point) and housing (+ 0,1 of a percentage point) (see table 4.8, p.21).

### **Food inflation**

The price index for food for the total country reflects an annual rate of increase of 2,2% at March 2004 (i.e. the CPI for food at March 2004 compared with that at March 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 2,4% at February 2004. From February 2004 to March 2004 this index remained unchanged.

Annual increases occurred in the price indices for fruit and nuts (+13,9%), "other" food products (+8,0%), vegetables (+7,7%), sugar (+4,4%), milk, cheese and eggs (+4,3%), fats and oils (+2,1%), coffee, tea and cocoa (+1,6%) and fish and other seafood (+1,0%). These annual increases were partially counteracted by annual decreases in the price indices for grain products (-3,4%) and meat (-1,0%) (see table 4.9, p.22).

Monthly increases occurred in the price indices for vegetables (+1,2%), fish and other seafood (+0,7%), fats and oils (+0,6%), fruit and nuts (+0,3%), milk, cheese and eggs (+0,3%) and grain products (+0,2%). These monthly increases were partially counteracted by monthly decreases in the price indices for sugar (-1,4%), meat (-0,6%), coffee, tea and cocoa (-0,2%) and "other" food products (-0,1%) (see table 4.9, p.22).

### Price index for non-food items

The price index for non-food items reflects an annual rate of increase of 0,3% at March 2004 (i.e. the CPI for non-food items at March 2004 compared with that at March 2003), which is 0,4 of a percentage point lower than the corresponding annual rate of 0,7% at February 2004. From February 2004 to March 2004 this index increased by 0,9%.

Relatively large annual increases occurred in the price indices for household operation (+ 13,9%), cigarettes, cigars and tobacco (+ 12,3%), alcoholic beverages (+ 11,8%), medical care and health expenses (+ 10,2%), education (+ 9,0%), fuel and power (+ 6,3%), non-alcoholic beverages (+ 4,7%), reading matter (+ 4,4%) and personal care (+ 3,8%). These annual increases were slightly counteracted by annual decreases in the price indices for housing (- 10,4%), "other" products (- 7,1%), recreation and entertainment (- 3,1%) and clothing and footwear (- 0,8%) (see table 4.9, p.22).

Relatively large monthly increases occurred in the price indices for education (+9,0%), alcoholic beverages (+4,8%), cigarettes, cigars and tobacco (+4,6%), non-alcoholic beverages (+3,8%) and transport (+0,7%), mainly due to a 9c\l increase in the price of petrol). These monthly increases were partially counteracted by monthly decreases in the price indices for recreation and entertainment (-0,3%), household operation (-0,2%) and clothing and footwear (-0,1%) (see table 4.9, p.22).

#### **Areas indices**

The rural areas of Western Cape recorded the highest annual inflation rate of 4,4%, while the lowest annual inflation rate of -4,9% was recorded for the rural areas of the Free State (see table 4.12, p.25).

Regarding food prices, the highest annual inflation rate of 4.5% was recorded for the other urban areas of Mpumalanga, while the lowest annual inflation rate of -0.7% was recorded for the rural areas of Free State (see table 4.13, p.26).

### **Pensioners**

The East London area recorded the highest annual rate of increase of 8,2%, while the lowest annual rate of change of -0,1% was recorded for the Port Elizabeth/Uitenhage area (see table 4.16, p,29).

Table 4.1 - Expenditure group and area indices of the Consumer Price Index and percentage change for the total country

------Indices Percentage change between (2000=100) Expenditure Feb 2004 | Mar 2003 group/Area and and Mar 2004 indices Mar 2004 Feb Mar Mar 2003 2004 2004 Seasonally Actual Actual adjusted % % 1/ % Expenditure group indices Very low expenditure 131,3 133,7 134,4 +0,5 +2,4 Low expenditure 129,9 132,6 133,3 +0,5 +2,6 Middle expenditure 127,7 130,8 131,6 +0,6 +3,1 High expenditure 125,8 129,2 130,0 +0,6 +3,3 Very high expenditure 122.8 121.8 122.6 +0.7 -0.2All expenditure groups 124.2 124.4 125.2 +0,6 +0.8 CPI excluding interest rates on mortgage bonds (CPIX) 125,0 129,3 130,2 +0,7 +4,2 +4.6 Core index 123.9 128.5 129.6 +0.9 Food only index 134,2 137,1 137,1 0,0 +2,2 . . CPI excluding food 120.9 120.2 121.3 +0.9 +0.3 125.2 |CPI excluding VAT 124.2 124,4 +0.6 +0.8

Table 4.2.1 - The Consumer Price Index and the annual inflation rate on a monthly basis for the total country

Base year: 2000 = 100 | Year | Index| Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Ave. \_\_\_\_\_\_ | Index| 109,9| 111,1| 112,4| 114,2| 114,9| 116,0| 117,6| 118,4| 119,6| 121,2| 121,7| 122,0| 116,6 2002 | % 1)| ..| ..| | . . | -----. . [ ..| ..| ..| ..| ..|  $| \ \, Index| \ \, 123,1| \ \, 123,0| \ \, 124,2| \ \, 124,5| \ \, 124,4| \ \, 124,2| \ \, 124,2| \ \, 124,6| \ \, 124,2| \ \, 123,6| \ \, 122,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 122,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,8| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \ \, 123,9| \$ 2003 | % 1) | +12,0 | +10,7 | +10,5 | +9,0 | +8,3 | +7,1 +5,6 +5,2 +3,8 +2,0 +0,9 +0,7 +6,22) | Index| 123,8| 124,4| 125,2| ..| 2004 | % 1) | +0,6 | +1,1 | +0,8 | .. 2) ..| ..| ..| ..| ... . . |

Table 4.2.2 - The Consumer Price Index excluding interest rates on mortgage bonds on a monthly basis for the total country

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
	Index  % 1)	112,1	112,7	114,1	115,5	116,3	117,5	118,5	119,4	120,7	121,8	122,4	122,6	117,8
2003	Index  % 1)	123,9 +10,5	123,8 +9,8	125,0 +9,6	125,4 +8,6	125,3 +7,7	125,1 +6,5	126,2 +6,5	126,6 +6,0	126,9 +5,1	126,9 +4,2	127,2 +3,9	127,2	125,8   +6,8 2)
2004	Index  % 1)	128,6 +3,8	129,3 +4,4	130,2 +4,2	 		· ·   · ·	 	· ·   · ·	 	· ·   · ·	 	 	

<sup>1) % =</sup> annual inflation rate

<sup>1/</sup> Data for at least 36 months are needed to calculate seasonally adjusted figures.

<sup>2)</sup> Average annual inflation rate

Table 4.3 - Contributions of different groups to the annual percentage change in the CPI for the total country

Group	Contribution at	
	February 2004	March 2004
Food	0,7	0,6
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,2
Clothing and footwear	-0,1	-0,1
Housing	-1,9	-1,9
Fuel and power	0,2	0,2
Household operation	0,6	0,6
Medical care and health expenses	0,7	0,7
Transport	0,3	0,0
Communication	0,1	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,2	0,2
Personal care	0,2	0,2
Other	-0,2	-0,2
		i
All groups	1,1	0,8

Table 4.4 - Contributions of different groups to the monthly percentage change in the CPI for the total country

Group	Contribution at   February 2004	Contribution at   March 2004
Food	0,1	0,0
Cigarettes, cigars and tobacco	0,0	0,1
Alcoholic beverages	0,0	0,1
Household operation	0,1	0,0
Transport	0,3	0,1
Education	0,0	0,3
All groups	0,5	0,6

Table 4.5 - Contributions of different groups to the annual percentage change in the CPIX for the total country

Group	Contribution at   February 2004	Contribution at     March 2004
Food	0.7	0,6
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,2
Clothing and footwear	-0,1	-0,1
Housing	1,1	1,0
Fuel and power	0,3	0,3
Household operation	0,7	0,7
Medical care and health expenses	0,8	0,8
Transport	0,4	0,1
Communication	0,1	0,1
Recreation and entertainment	-0,1	0,0
Education	0,1	0,3
Personal care	0,2	0,1
Other	-0,2	-0,2
All groups	4,4	4,2

Table 4.6 - Contributions of different groups to the monthly percentage change in the CPIX for the total country

Group	Contribution at   February 2004	Contribution at     March 2004
Food Alcoholic beverages Cigarettes, cigars and tobacco Housing Household operation Medical care and health expenses Transport	0,1 0,0 0,0 0,0 0,0 0,1 0,0	0,0 0,1 0,1 0,1 0,0 0,0 0,0
Education      All groups	0,0	0,3

Table 4.7 - Contributions of different groups to the annual percentage change in the Core index for the total country

| Contribution at | Contribution at | | February 2004 | March 2004 Group Food 0,4 0,4 Non-alcoholic beverages 0,1 0,1 Alcoholic beverages 0,4 0,2 Cigarettes, cigars and tobacco 0,2 0,2 Clothing and footwear -0,1 0,0 Housing 0,5 0,5 Fuel and power 0,1 0,1 Household operation 1,0 1,0 Medical care and health expenses Transport 0,4 0,1 Communication 0,1 0,1  ${\tt Recreation} \ {\tt and} \ {\tt entertainment}$ -0,2 -0,1 Education 0,5 0,5 0,3 Personal care 0,3 Other 0,1 0,1 All groups

Table 4.8 - Contributions of different groups to the monthly percentage change in the Core index for the total country

Group	Contribution at   February 2004	Contribution at   March 2004
Food	0,1	0,0
Non-alcoholic beverages	0,0	0,1
Alcoholic beverages	0,0	0,1
Cigarettes, cigars and tobacco	0,0	0,1
Housing	0,0	0,1
Household operation	0,1	0,0
Transport	0,4	0,1
Education	0,0	0,4
All groups	0,6	0,9

Table 4.9 - Consumer Price Index group and product indices and percentage change for the total country

Indices Percentage change (2000=100) between | Weights |-----Group/Product Feb 2004 Mar 2003 | | | | Feb 2004 | Mar 2003 | Mar | Feb | Mar | and | and | 2003 | 2004 | 2004 | Mar 200 \_\_\_\_\_ +0,6 CPI: All items 100,00 | 124,2 124,4 125,2 +0.8 
 2,63
 131,3
 133,7
 134,4
 +0,5

 3,83
 129,9
 132,6
 133,3
 +0,5

 10,46
 127,7
 130,8
 131,6
 +0,6

 17,62
 125,8
 129,2
 130,0
 +0,6

 65,46
 122,8
 121,8
 122,6
 +0,7
 Expenditure groups - Very low Low +2,6 Middle +3,1 +3,3 High Very high -0.2 | 125,2 127,8 128,4 | 122,7 119,3 120,5 61,89 +0,5 Commodities +2.6 Services +1,0 38,11 81,38 | 123,8 127.2 128.1 +0.7 CPI: All items, excluding housing +3.5 CPI: All items, excluding food 74,56 | 120,9 120,2 121,3 +0,9 +0,3 137,1 137,1 25,44 | 134,2 Food 0,0 +2,2 
 57,58
 137,8
 138,4
 138,7
 +0,2

 54,91
 137,2
 138,3
 138,6
 +0,2

 46,50
 135,7
 137,8
 138,0
 +0,1

 34,28
 134,2
 137,4
 137,4
 0,0

 16,68
 132,5
 136,3
 136,1
 -0,1
 Expenditure groups - Very low +0.7 Low +1.0 Middle +1,7 Hiah Very high -0,1 +2,7 13,78 | 130,9 | 136,4 | 136,5 | +0,1 11,66 | 138,1 | 137,9 | 137,9 | 0,0 Processed +4.3 Unprocessed 0,0 -0,1 137,1 132,2 139,3 136,7 +0,2 -0,6 +0,7 +0,3 132,4 Grain products Meat 6,44 138,4 -1.0 Fish and other seafood 0,72 136,2 137,6 +1,0 146,7 Milk, cheese and eggs 2.20 141.0 147,1 +4,3 
 2,20
 141,0
 146,7
 147,1

 0,93
 140,2
 142,3
 143,1

 1,16
 124,4
 141,3
 141,7

 2,42
 125,6
 133,7
 135,3

 0,85
 124,7
 132,1
 130,2

 1,27
 122,0
 124,2
 123,9

 4,01
 129,1
 139,6
 139,4
 147,1 143,1 141,7 135,3 130,2 123,9 139,4 Fats and oils +0.6 +2.1 Fruit and nuts +0,3 +13,9 Vegetables +1,2 +7,7 Sugar -1,4 +4,4 Coffee, tea and cocoa -0.2+1.6 Other -0,1 +8,0 1,16 | 131,3 1,62 | 126,2 Non-alcoholic beverages 132,5 137,5 132,5 137,5 | +3,8 134,7 141,1 | +4,8 Alcoholic beverages +11,8 Cigarettes, cigars and tobacco 1.24 | 133.8 143.7 150.3 +4.6 +12.3 100,3 102,2 97.0 -0,8 3,87 | 101,0 100,2 -0,1 Clothing and footwear Clothing 2,41 99,7 102,0 -0,2 +2,3 Footwear 1,46 103,1 97,0 97,3 +0,3 -5,6 113,6 18,62 | 126,8 113.2 +0,4 -10.4 Housing 116.1 123.4 123,4 0.0 Fuel and power 4.08 +6.3 115,2 115,6 116,3 119,5 119,3 118,5 116,1 | 120,5 | Furniture and equipment 2,94 +0,4 +0,8 116,3 Furniture +0,8 1,14 +3,6 Appliances 0.85 118,1 -0.3 -1,0 Other household equipment and textiles 0,95 | 110,2 108,2 109,0 +0.7 -1.1 117,1 133,7 128,4 133,9 112,1 134,6 105,7 108,7 4,75 133,4 -0,2 +13,9 Household operation Household consumables 1,54 133.8 -0,1 +4,2 Domestic workers 3,08 134,2 -0,3 +19.7 Other household services 0,13 109.5 +0.7 +3,6 Medical care and health expenses 130,7 144,0 144,0 0,0 +10,2 117,3 117,0 121,7 105.0 Transport 13.22 117.8 118.1 +0.7 +0.3 117,9 Vehicles 4.81 117,0 0.0 -0.8 Running cost 6,22 122,5 123,4 +1,4 +0,7 105,0 Public and hired transport 2,19 103.9 105,0 0,0 +1,1 Communication 119.9 123,5 123,5 0.0 +3,0 Recreation and entertainment 2,83 102.3 99,4 99,1 -0,3 -3,1 120,1 Reading matter 0,34 115.3 120,4 +0,2 +4,4 145,5 Education 133.5 133,5 +9.0 +9.0 131,4 +0,2 Personal care 4,04 126,8 131,6 +3,8 3,46 | 107,7 Other 100,0

Table 4.10 - Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the total country

			Indices (2000=100)		Percentage change between		
Group/Product	Weights          	Mar 2003	     Feb   2004	     Mar   2004	Feb 2004 and Mar 2004	   Mar 2003   and   Mar 2004	
CPI: All items	100,00	125,0	129,3	130,2	+0,7	+4,2	
Expenditure groups - Very low		131,4	133,9	134,6	+0,5	+2,4	
Low	4,19	129,9	132,8	133,5	+0,5	+2,8	
Middle	11,36	127,7	131,1	131,9	+0,6	+3,3	
High Very high	18,55     63,00	126,0 123,7	130,5 128,2	131,4 129,1	+0,7	+4,3 +4,4	
	į į				İ		
Commodities Services	68,04     31,96	125,3 124,5	127,9 132,5	128,5 134,0	+0,5	+2,6 +7,6	
CPI: All items, excluding housing	89,47	123,8	127,3	128,2	+0,7	+3,6	
CPI: All items, excluding food	72,04	121,5	126,3	127,6	+1,0	+5,0	
Food	27,96	134,2	137,1	137,1	0,0	+2,2	
Expenditure groups - Very low	57,67	137,8	138,4	138,7	+0,2	+0,7	
Low	55,10	137,2	138,3	138,6	+0,2	+1,0	
Middle	47,07		137,8	138,0	+0,1	+1,7	
High Very high	35,80     19,05	134,2 132,5	137,4 136,3	137,4 136,1	0,0	+2,4 +2,7	
	į				İ		
Processed Unprocessed	15,15     12,81		136,4 137,9	136,5 137,9	+0,1	+4,3 -0,1	
Grain products		137,1	132,2	132,4	+0,2	-3,4	
Meat	7,07		139,3	138,4	-0,6	-1,0	
Fish and other seafood	0,79		136,7	137,6	+0,7	+1,0	
Milk, cheese and eggs	2,42	141,0	146,7	147,1	+0,3	+4,3	
Fats and oils Fruit and nuts	1,02     1,27	140,2 124,4	142,3 141,3	143,1 141,7	+0,6	+2,1 +13,9	
Vegetables	2,66	124,4	133,7	135,3	+1,2	+7,7	
Sugar	0,93		132,1	130,2	-1,4	+4,4	
Coffee, tea and cocoa	1,40	122,0	124,2	123,9	-0,2	+1,6	
Other	4,41	129,1	139,6	139,4	-0,1	+8,0	
Non-alcoholic beverages	1,28	131,3	132,5	137,5	+3,8	+4,7	
Alcoholic beverages	1,78	126,2	134,7	141,1	+4,8	+11,8	
Cigarettes, cigars and tobacco	1,36	133,8	143,7	150,3	+4,6	+12,3	
Clothing and footwear	4,26	101,7	99,9	99,9	0,0	-1,8	
Clothing Footwear	2,65     1,61	100,8 103,1	101,7 97,0	101,5 97,3	-0,2 +0,3	+0,7 -5,6	
	į į	•	•			•	
Housing Fuel and power	10,53     4,48	135,7 116,1	147,4 123,4	148,1 123,4	+0,5	+9,1 +6,3	
Furniture and equipment	3,23	115,3	115,6	116,2	+0,5	+0,8	
Furniture	1,26	116,3	119,5	120,5	+0,8	+3,6	
Appliances	0,93	119,4	118,6	118,1	-0,4	-1,1	
Other household equipment and textiles	1,04	110,2	108,2	109,0	+0,7	-1,1	
Household operation	   5,22	117,1	133,7	133,4	-0,2	+13,9	
Household consumables	1,70	128,4	133,9	133,8	-0,1	+4,2	
Domestic workers Other household services	3,38     0,14	112,1	134,6 108,7	134,2 109,5	-0,3 +0,7	+19,7	
	į į	105,7			İ	+3,6	
Medical care and health expenses	7,11	130,7	144,0	144,0	0,0	+10,2	
Transport Vehicles	14,53     5,29	118,2 117,9	117,8 117,0	118,6 117,0	+0,7	+0,3 -0,8	
Running cost	6,83	123,4	122,8	124,6	+1,5	+1,0	
Public and hired transport	2,41	103,9	105,0	105,0	0,0	+1,1	
Communication	2,98	119,8	123,5	123,5	0,0	+3,1	
Recreation and entertainment	3,11	102,5	99,6	99,3	-0,3	-3,1	
Reading matter Education	0,38   3,54	115,6 133,5	120,4 133,5	120,7 145,5	+0,2	+4,4 +9,0	
Personal care	3,54	133,5	131,4	131,6	+9,0	+3,8	
Other	3,81	108,0	99,8	99,9	+0,1	-7,5	

Table 4.11 - Consumer Price Index group and product indices according to COICOP¹) and percentage change for the total country

			Indices (2000=100)	Percentage change between		
Group/Product	Weights        	Mar 2003	     Feb   2004	     Mar   2004	Feb 2004 and Mar 2004	   Mar 2003   and   Mar 2004
CPI: All items	100,00	124,2	124,4	125,2	+0,6	+0,8
Expenditure groups - Very low	2,63	131,3	133,7	134,4	+0,5	+2,4
Low	3,83	129,9	132,6	133,3	+0,5	+2,6
Middle	10,46	127,7	130,8	131,6	+0,6	+3,1
High	17,62	125,8	129,2	130,0	+0,6	+3,3
Very high	65,46	122,8	121,8	122,6	+0,7	-0,2
Commodities	61,89	125,2	127,8	128,4	+0,5	+2,6
Services	38,11		119,3	120,5	+1,0	-1,8
CPI: All items, excluding housing	81,38	123,8	127,2	128,1	+0,7	+3,5
CPI: All items, excluding food	75,83	120,9	120,2	121,3	+0,9	+0,3
Food, beverages and tobacco	29,46	133,8	137,3	138,1	+0,6	+3,2
Food excluding coffee, tea and cocoa	24,17	134,3	137,3	137,3	0,0	+2,2
Grain products	5,44	137,1	132,2	132,4	+0,2	-3,4
Meat	6,44	139,8	139,3	138,4	-0,6	-1,0
Fish and other seafood	0,72	136,2	136,7	137,6	+0,7	+1,0
Milk, cheese and eggs	2,20	141,0	146,7	147,1	+0,3	+4,3
Fats and oils	0,93	140,2	142,3 141,3	143,1	+0,6	+2,1
Fruit and nuts Vegetables	2,42		141,3	141,7 135,3	+0,3	+13,9 +7,7
Sugar	0,85		132.1	130,2		+4,4
Other	4,01		133,7 132,1 139,6	139,4	-0,1	+8,0
Beverages	4,05	126,5	131,1 124,2	135,0	+3,0	+6,7
Coffee, tea and cocoa	1,27				-0,2	+1,6
Non-alcoholic beverages Alcoholic beverages	1,16	131,3 126,2	132,5 134,7	137,5 141,1	+3,8	+4,7 +11,8
Tobacco	1,02	120,2	2017,	111/1	1	11170
Cigarettes, cigars and tobacco	1,24	133,8	143,7	150,3	+4,6	+12,3
Clothing and footwear	3,87	101,0	100,3	100,2	-0,1	-0,8
Clothing	2,41	99,7	102,2	102,0	-0,2	+2,3
Footwear	1,46	103,1	97,0	97,3	+0,3	-5,6
Housing, water,electricity, gas and other fuels	22,70	125,3	115,1	115,4	+0,3	-7,9
Housing	18,62	126,8	113,2	113,6	+0,4	-10,4
Fuel and power	4,08	116,1	123,4	123,4	0,0	+6,3
Furnishings, household equipment and routine						
maintenance of the house	7,69	116,2	126,1	126,1	0,0	+8,5
Furniture and equipment Furniture	2,94	115,2 116,3	115,6 119,5	116,1 120,5	+0,4	+0,8 +3,6
Appliances	0,85	119,3	118,5	118,1	-0,3	-1,0
Other household equipment and	i i					
textiles	0,95	110,2	108,2	109,0	+0,7	-1,1
Household operation	4,75	117,1	133,7	133,4	-0,2	+13,9
Household consumables Domestic workers	1,54	128,4	133,9	133,8	-0,1 -0,3	+4,2
Domestic workers Other household services	3,08   0,13	112,1 105,7	134,6 108,7	134,2 109,5	+0,7	+19,7 +3,6
Health (Medical care and health expenses)	6,46	130,7	144,0	144,0	0,0	+10,2
Transport	13,22	117,8	117,3	118,1	+0,7	+0,3
Vehicles	4,81	117,0	117,0	117,0	0,0	-0,8
Running cost	6,22	122,5	121,7	123,4	+1,4	+0,7
Public and hired transport	2,19	103,9	105,0	105,0	0,0	+1,1
Leisure, entertainment and culture	   3,17	105,4	103,9	103,7	-0,2	-1,6
Recreation and entertainment	2,83	102,3	99,4	99,1	-0,3	-3,1
Reading matter	0,34	115,3	120,1	120,4	+0,2	+4,4
Education	3,22	133,5	133,5	145,5	+9,0	+9,0
Miscellaneous goods and services	10,21	115,2	114,4	114,5	+0,1	-0,6
Communication Personal care	2,71   4,04	119,9 126,8	123,5 131,4	123,5 131,6	0,0	+3,0 +3,8
Other	3,46		131,4 99,9	131,6	+0,2	+3,8

<sup>1)</sup> COICOP = Classification of individual consumption by purpose

Table 4.12 - Consumer Price Index and percentage change according to area

Indices Percentage change (2000=100) between | Feb 2004 | Mar 2003 Urban area Weights -----mar | 2004 and | and | and | Mar 2004 
 Western Cape (Province)
 15,35
 125,1
 125,7
 126,5
 +0,6
 +1,1

 Western Cape (excluding rural)
 14,55
 123,9
 124,3
 125,1
 +0,6
 +1,0

 Cape Peninsula
 9,81
 123,4
 123,0
 123,7
 +0,6
 +0,2

 Other urban areas
 4,74
 124,1
 126,2
 127,2
 +0,8
 +2,5

 Rural areas
 0,80
 126,2
 130,7
 131,7
 +0,8
 +4,4
 Western Cape (Province) 128,0 +0,9 126,2 +0,9 125,3 +0,8 125,4 +0,7 127,5 +1,0 129,3 +0,9 
 10,95
 126,1
 126,9

 4,46
 124,7
 125,1

 1,88
 124,2
 124,3

 0,91
 124,9
 124,5

 1,67
 125,2
 126,3

 6,49
 127,2
 128,1
 Eastern Cape (Province) +1,5 Eastern Cape (excluding rural) +1.2 Port Elizabeth/Uitenhage +0,9 East London +0,4 Other urban areas Rural areas +1,7 126,4 +0,7 125,6 +0,6 126,5 +0,6 125,9 +0,6 126,7 +0,7 125,5 124,8 125,7 125,1 125,8 124,7 124,5 126,3 124,2 124,7 2,13 | 0,83 | Northern Cape (Province) Northern Cape (Province) | Northern Cape (excluding rural) | +1.4 +0,9 0,34 Kimberley +0,2 Other urban areas 0.49 İ +1,4 Rural areas 1,30 +1,6 Free State (Province) | 4,94 |
Free State (excluding rural) | 3,94 |
Bloemfontein | 1,31 |
Free State Goldfields | 1,00 |
Other urban areas 117,8 119,1 119,2 120,7 118,1 111,3 118,8 118,8 120,0 119,8 117,2 117,6 -0,3 Free State (Province) +0,9 +0.1 1,00 +1,5 +1,4 Rural areas 1,00 -4.9 124,9 123,5 123,4 124,1 123,3 133,6 

 KwaZulu-Natal (Province)
 18,89
 124,8

 KwaZulu-Natal (excluding rural)
 16.90
 123,7

 Durban/Pinetown
 5,94
 123,5

 KwaZulu-Natal (Province) +0.4 +0,3 +0.6 Pietermaritzburg 1,11 125,2 -0,2 123,4 131,5 Other urban areas 9,85 +0.2 1.99 İ Rural areas +1.3 122,1 122,0 123,1 +0,8 123,0 +0,8 122,4 123,4 3,70 | 2.16 | North West (Province) +0,6 North West (excluding rural) -0,3 125,4 | 123,0 | 122,6 | 123,0 | 124,4 | 127,3 | 124,6 122,2 121,8 122,4 123,2 125,9 124,3 122,1 121,5 122,5 122,3 124,9 36,39 +0,6 +0,9 Gauteng (Province) 35,47 Gauteng (excluding rural) +0,7 +0,7 9,18 Pretoria/Centurion/Akasia +0,7 +0,9 20,25 | 6,04 | +0,5 +0,4 Witwatersrand Other urban areas +1,0 +1,7 Rural areas 0.92 +1,1 +1,9 126,9 +1,0 125,9 +1,0 122,4 +0,8 127,5 +1,0 132,1 +1,1 125,7 124,7 121,4 126,3 130,7 4,29 | 125,0 2,99 | 125,1 0,92 | 125,9 2,07 | 124,9 1,30 | 127,8 Mpumalanga (Province)
Mpumalanga (excluding rural) 4,29 Mpumalanga (Province) +1,5 +0,6 Nelspruit/Witbank -2,8 Other urban areas +2.1 Rural areas +3,4 122,5 119,8 114,2 122,3 125,5 123,5 +0,8 121,0 +1,0 115,1 +0,8 123,6 +1,1 126,4 +0,7 3,36 | 122,3 1,22 | 121,8 0,17 | 119,1 1,05 | 121,4 2,14 | 123,4 Limpopo Province +1.0 Limpopo Province (excl. rural) -0,7 Polokwane (Pietersburg) -3,4 Other urban areas +1.8 Rural areas +2.4 CPI for the historical metropolitan areas CPI for the historical metropoli-82,52 İ 122.8 123.0 123.8 +0.7 tan and other urban areas +0.8 CPI for the rural areas 17.48 | 125.7 126.8 127.7 i +0.7 100,00 | 124,2 124,4 CPI for the total country 125,2 +0,6 +0,8

Table 4.13 - Food price index and percentage change according to area

Indices Percentage change (2000=100) between | Feb 2004 | Mar 2003 Urban area | Weights | ------mar | 2004 and | and | and | Mar 2004 Western Cape (Province) | 14,79 | 130,8 | 135,2 | 135,0 | -0,1 |
Western Cape (excluding rural) | 13,46 | 130,1 | 134,6 | 134,4 | -0,1 |
Cape Peninsula | 8,17 | 130,3 | 135,6 | 135,3 | -0,2 |
Other urban areas | 5,29 | 131,7 | 135,0 | 134,9 | -0,1 |
Rural areas | 1,33 | 130,9 | 134,3 | 134,3 | 0,0 -0,1 +3,2 Western Cape (Province) +3.3 +3,8 +2.4 +2,6 
 12,43
 142,9
 144,7

 4,19
 138,1
 140,9

 1,72
 137,3
 141,6

 0,57
 138,8
 139,4

 1,90
 139,9
 142,0

 8,24
 144,3
 145,5
 Eastern Cape (Province) +1.7 Eastern Cape (excluding rural) +2.2 Port Elizabeth/Uitenhage +3,1 East London +0,3 Other urban areas +2,1 Rural areas +1,5 133,6 133,5 136,7 133,5 133,3 131,2 131,0 133,9 131,1 130,8 2,36 0,91 0,33 Northern Cape (Province) +2.1 Northern Cape (Province) | Northern Cape (excluding rural) | +2,1 Kimberley +1,9 0,58 Other urban areas +2,2 Rural areas 1,45 +2,3 131,9 131,8 140,9 130,3 129,0 128,3 131,8 131,7 141,0 130,4 128,8 128,0 +0,1 +0,5 Free State (Province) +0,1 +0,8 -0,1 +1,4 -0,1 +0,7 +0,4 +0,2 +0,2 -0.7 

 KwaZulu-Natal (Province)
 20,28
 138,4

 KwaZulu-Natal (excluding rural)
 16,08
 139,3

 Durban/Pinetown
 5,11
 138,3

 Pietermaritzburg
 1,26
 137,2

 Other urban areas
 9,71
 140,0

 Rural areas
 4,20
 141,1

 141,1 142,5 142,5 139,7 142,7 142,0 140,2 141,7 141,9 139,4 141,8 140,6 -0,6 KwaZulu-Natal (Province) +1.3 -0,6 +1,7 -0,4 +2.6 -0,2 +1,6 -0.6 +1.3 -1.0 -0.4 134,4 135,7 135,1 +0,5 136,3 +0,4 133,6 133,9 4,34 | 2,06 | North West (Province) +1,1 North West (excluding rural) 133,2 133,1 133,2 132,9 134,0 129,6 129,5 129,1 128,5 132,8 134,1 133,2 133,2 132,9 133,3 133,7 134,3 31,77 0,0 +2,8 Gauteng (Province) 31,02 | 6,19 | Gauteng (excluding rural) -0,1 +2,8 Pretoria/Centurion/Akasia +0,2 +3,2 17,94 | 6,89 | -0,3 Witwatersrand +3,4 Other urban areas +0,2 +0,9 Rural areas 0.75 +0,2 +0,4 143,1 143,1 139,4 144,5 143,7 4,75 | 139,4 2,75 | 137,8 0,68 | 134,8 2,07 | 139,0 2,00 | 142,0 Mpumalanga (Province) +3,3 Mpumalanga (excluding rural) +4,4 Nelspruit/Witbank +3,8 Other urban areas +4.5 Rural areas +1.9 133,9 137,5 141,9 135,5 132,3 136,1 140,3 144,2 138,7 4,80 Limpopo Province Limpopo Province (excl. rural) +2,3 Polokwane (Pietersburg) 0,10 +1,3 Other urban areas 1,04 +2.9 134,3 Rural areas 3.66 +1.9 CPI for the historical metropolitan areas CPT for the historical metropolitan and other urban areas 75,32 132.4 135.9 135.8 -0.1 +2.6 CPI for the rural areas 14,68 | 138,5 139.8 140.2 +0,3 CPI for the total country |100,00 | 134,2 137,1 137,1 0.0 +2,2

Table 4.14 - Consumer Price Index excluding housing and percentage change according to areas

Indices Percentage change (2000=100) between Urban area Weights -----| Feb 2004 | Mar 2003 and and | and | and | Mar 2004 
 Western Cape (Province)
 13,25
 124,1
 127,4
 128,1
 +0,5
 +3,2

 Western Cape (excluding rural)
 12,45
 122,5
 126,8
 127,6
 +0,6
 +4,2

 Cape Peninsula
 8,12
 122,4
 126,9
 127,5
 +0,5
 +4,2

 Other urban areas
 4,33
 123,4
 127,4
 128,4
 +0,8
 +4,1

 Rural areas
 0,80
 125,4
 129,2
 130,1
 +0,7
 +3,7
 Western Cape (Province) Eastern Cape (Province) 10,33 127,1 130,9 132,0 +0,8
Eastern Cape (excluding rural) 4,26 124,6 129,5 130,6 +0,8
Port Elizabeth/Uitenhage 1,60 124,9 130,8 131,9 +0,8
East London 1,16 124,2 129,1 130,0 +0,7
Other urban areas 1,50 125,5 129,9 131,1 +0,9
Rural areas 6,07 128,4 132,3 133,5 +0,9 Eastern Cape (Province) +3.9 +4.8 +5,6 +4,7 +4,5 +4,0 128,3 +0,7 126,9 +0,6 129,2 +0,7 126,8 +0,6 128,3 +0,6 127,4 126,1 128,3 126,0 127,5 124,5 123,0 124,4 123,2 124,4 Northern Cape (Province) 12,40 Northern Cape (excluding rural) 0,52 Kimberley 0,08 Northern Cape (Province) +3.1 +3,2 +3,9 Other urban areas 0,44 +2,9 Rural areas 11,88 +3,1 118,6 119,3 +0,6 120,3 121,0 +0,6 122,9 123,8 +0,7 121,7 122,5 +0,7 118,5 119,1 +0,5 109,6 110,1 +0,5 +1.2 Free State (Province) +3,2 +3,7 +3,0 +3,0 -5.8 128,9 127,9 127,4 127,3 127,9 129,4 +0,4 128,5 +0,5 128,3 +0,7 128,4 +0,9 128,3 +0,3 133,2 -0,3 126,3 124,7 123,9 16,85 KwaZulu-Natal (Province) +2.5 KwaZulu-Natal (excluding rural) | 14,73 | Durban/Pinetown | 5,11 | +3,0 | 5,11 | | 0,98 | +3.6 Pietermaritzburg 125,2 +2,6 125,0 131,8 Other urban areas 8,64 +2.6 2.12 Rural areas +1.1 128,1 +0,8 128,1 +0,8 124,6 124,4 127,1 127,1 3,46 | North West (Province) +2,8 North West (excluding rural) +3,0 125,8 125,3 124,4 126,0 124,9 125,3 126,9 126,4 125,3 127,0 126,3 126,8 122,0 121,4 120,7 121,4 122,2 122,8 31,81 +0,9 +4,0 Gauteng (Province) Gauteng (excluding rural) 30,96 +0,9 +4,1 Pretoria/Centurion/Akasia 8,13 +0,7 +3,8 17,35 | +0,8 Witwatersrand +4,6 Other urban areas +1,1 +3,4 Rural areas 0.85 +1,2 +3,3 129,8 130,0 128,1 130,9 130,8 4,03 | 126,2 2,66 | 125,7 0,75 | 124,4 1,91 | 126,3 1,37 | 128,0 Mpumalanga (Province)
Mpumalanga (excluding rural) Mpumalanga (Province) +3,8 +4,4 Nelspruit/Witbank +3,9 Other urban areas +4,6 Rural areas +3.2 124,4 122,1 121,4 122,5 126,0 122,3 119,6 118,8 119,6 123,4 3,36 Limpopo Province Limpopo Province | Limpopo Province (excl. rural) | 1,11 | 0,12 | +3,2 Polokwane (Pietersburg) +3,3 Other urban areas 0,99 +3.6 Rural areas 2.25 +2.8 CPI for the historical metropolitan areas CPT for the historical metropolitan and other urban areas 72,08 122.5 126.3 127.2 +0.7 +3,8 CPI for the rural areas 127.6 128.5 +0.7 +0,7 CPI for the total country |100,00 | 123,8 127,2 128,1 +3,5

Table 4.15 - Consumer Price Index excluding food and percentage change according to area

Indices Percentage change (2000=100) between | Feb 2004 | Mar 2003 Urban area Weights -----| Feb 2004 | Mar 2003 Mar | Feb | Mar | and | and 2003 | 2004 | 2004 | Mar 2004 | Mar 2004 
 Western Cape (Province)
 15,46
 123,3
 122,7
 123,8
 +0,9
 +0,4

 Western Cape (excluding rural)
 14,84
 122,4
 121,7
 122,8
 +0,9
 +0,3

 Cape Peninsula
 10,31
 122,0
 120,2
 121,1
 +0,7
 -0,7

 Other urban areas
 4,53
 122,0
 123,5
 125,0
 +1,2
 +2,5

 Rural areas
 0,62
 122,8
 128,0
 129,8
 +1,4
 +5,7
 Western Cape (Province) Eastern Cape (Province) +1.3 +0,7 -0,4 +0,7 +1,8 122,2 122,4 122,9 121,8 122,3 122,4 123,4 +0,8 121,8 122,8 +0,8 121,3 122,5 +1,0 122,1 122,9 +0,7 122,9 124,0 +0,9 2,50 1,26 0,80 Northern Cape (Province) +1.0 Northern Cape (Province) | Northern Cape (excluding rural) | +0,3 Kimberley -0,3 Other urban areas 0,46 +0,9 Rural areas 1,24 +1,4 Free State (Province) | 5,08 | 115,1 | Free State (excluding rural) | 4,01 | 115,0 | Bloemfontein | 1,36 | 115,6 | Free State Goldfields | 1,07 | 117,2 | Other urban areas | 1,58 | 113,6 | Rural areas | 1,07 | 114,9 113,6 115,1 114,1 118,0 114,6 107,2 -0,4 Free State (Province) +1,0 -0,3 +1,0 +1,7 +1,6 -6.2 
 KwaZulu-Natal (Province)
 18,33
 119,1
 118,1

 KwaZulu-Natal (excluding rural)
 17,09
 119,8
 118,5

 Durban/Pinetown
 6,19
 120,4
 118,3

 Pietermaritzburg
 1,05
 121,6
 119,0

 Other urban areas
 9,85
 119,2
 117,4

 Rural areas
 1,24
 120,6
 124,0
 119,1 +0,8 119,5 +0,8 119,5 +1,0 120,4 +1,2 118,4 +0,9 124,9 +0,7 KwaZulu-Natal (Province) 0.0 -0,3 -0,7 -1,0 -0.7 +3.6 117,0 118,5 118,1 +0,9 119,6 +0,9 117,7 120,7 3,46 | 2,18 | North West (Province) +0,3 North West (excluding rural) -0,9 122,9 120,3 119,9 121,2 120,4 122,4 122,2 119,5 119,5 119,9 121,0 123,7 37,78 +0,3 Gauteng (Province) 36,81 | | 10,15 | | 20,93 | | 5,73 | Gauteng (excluding rural) +0,2 Pretoria/Centurion/Akasia +0,4 -0,3 Witwatersrand Other urban areas +1.8 Rural areas 0.97 +2,4 
 4,12
 118,5
 117,9

 3,06
 121,6
 119,6

 1,00
 124,0
 117,5

 2,06
 121,1
 121,1

 1,06
 118,8
 122,6
 Mpumalanga (Province)
Mpumalanga (excluding rural) Mpumalanga (Province) +0,6 -0,6 Nelspruit/Witbank -4,4 Other urban areas +1.2 1,06 | Rural areas +4.5 

 Limpopo Province
 2,88
 115,6

 Limpopo Province (excl. rural)
 1,25
 118,0

 Polokwane (Pietersburg)
 0,20
 114,9

 Other urban areas
 1,05
 118,1

 Rural areas
 1,63
 116,6

 2,88 Limpopo Province +0,3 -1,5 -4,6 +1.4 Rural areas +3.0 CPI for the historical metropolitan areas CPT for the historical metropolitan and other urban areas 85,02 120.4 119.5 120.6 +0.9 +0,2 CPI for the rural areas 117.3 118.6 120,2 CPI for the total country 100,00 | 120,9 121,3 +0,9 +0,3

Table 4.16 - Consumer Price Index for pensioners and percentage change according to area

Indices Percentage change (2000=100) between |Weights |-----Urban area Feb 2004 | Mar 2003 Mar Feb 2003 2004 Mar | and | and 2004 | Mar 2004 | Mar 2004 ----- 
 Western Cape (Province)
 15,82
 125,4
 129,9
 130,4
 +0,4
 +4,0

 Western Cape (excluding rural)
 15,04
 124,3
 128,7
 129,2
 +0,4
 +3,9

 Cape Peninsula
 9,44
 123,8
 128,3
 128,6
 +0,2
 +3,9

 Other urban areas
 5,60
 125,1
 129,1
 130,0
 +0,7
 +3,9

 Rural areas
 0,78
 125,9
 130,3
 131,3
 +0,8
 +4,3
 Western Cape (Province) 132,0 128,6 126,9 133,2 130,4 133,3 Eastern Cape (Province) +2.4 +2,4 -0,1 +8,2 +3,9 +2.3 132,1 130,8 130,5 130,8 132,2 Northern Cape (Province) +0,4 +3,9 Northern Cape (excluding rural) +0,4 +4,1 +0,5 +4,6 Kimberley Other urban areas +0.3 +3.7 +0,4 Rural areas +3,8 
 4,51
 120,4
 122,4

 4,13
 119,3
 121,4

 1,38
 116,4
 119,3

 0,65
 121,4
 122,8

 2,10
 118,8
 120,5

 0,38
 120,9
 122,0
 Free State (Province) +2,0 +2.1 +2,8 +1,5 2,10 Other urban areas Rural areas +1.8 +1,5 126,0 124,6 123,9 124,5 129,3 129,4 128,3 128,6 129,0 129,4 128,4 129,2 127,9 128,0 135,6 135,0 21,14 KwaZulu-Natal (Province)
KwaZulu-Natal (excluding rural) +0,1 KwaZulu-Natal (Province) +2,7 123,9 124,5 125,0 133,8 17,10 +0.2 +3.2 5,29 Durban/Pinet.own +0,3 +4,4 1,05 Pietermaritzburg +0.6 +3,8 10,76 | 4,04 | Other urban areas +0,1 +2.4 -0,4 Rural areas +0,9 128,0 127,5 3,70 | 125,3 1,81 | 123,9 127,0 126.6 North West (Province) +0.8 North West (excluding rural) +0.7 +2.9 Gauteng (Province) +3,3 Gauteng (excluding rural) +3,3 Gauteng (excluding rural) Pretoria/Centurion/Akasia +4,3 Witwatersrand +3,0 125,9 125,9 Other urban areas 7,69 | 0,23 | 123,5 123,5 +2.8 Rural areas +2.7 130,8 130,8 133,3 130,5 3,55 128,1 127,5 127,9 127,4 132,1 +1,0 132,1 +1,0 134,2 +0,7 131,9 +1,1 132,5 +0,9 +1,0 Mpumalanga (Province) Mpumalanga (excluding rural) +3,6 Nelspruit/Witbank 0,20 1,62 +4,9 Other urban areas +3.5 1.73 l 129.1 131.3 Rural areas +2.6 5,58 123,7 126,3 +2,7 Limpopo Province 122,3 124,6 127,6 131,1 121,7 123,8 124,0 126,5 Limpopo Province (excl. rural) +2,6 1,21 Polokwane (Pietersburg) 0,20 +3.1 1,01 | 4,37 | Other urban areas +2.5 Rural areas +2,7 CPI for the historical 42,16 | 123,4 127,3 metropolitan areas 127.8 +0.4 ------| CPI for the historical metropolitan and other urban areas 75,21 123,8 127,4 127,9 +0,4 +3,3 24,79 129,2 131,3 132,0 +0,5 CPI for the rural areas +2,2 CPI for the total country | 100,00 | 125,8 | 129,0 | 129,6 | +0,5 | +3,0

#### EXPLANATORY NOTES

#### Introduction

- This publication contains results of the monthly Survey of Consumer (Retail) Prices.

  The purpose of the survey is to collect and provide information regarding changes in the overall level of prices of all goods and services bought by the average household.
- The indices are classified according to the International Trade Classification (as indicated in tables 3.1 3.10 and 4.1 4.10) and geographical areas (as indicated in tables 4.12 4.16). Due to a new international classification system, prescribed by the 1993 System of National Accounts (SNA revision IV, 1993), compiled by the United Nations, the International Monetary Fund, the World Bank, the Organisation for Economic Corporation and Development and the Commission of European Communities, the Classification of Individual Consumption by Purpose (COICOP), Stats SA decided to classify the price information collected according to this new classification system, alongside the existing classification system. The information contained in tables 3.11 and 4.11 is classified according to COICOP. The indices are calculated on the base 2000=100.
- 3 The Consumer Price Index (CPI) is a series of figures (numbers) showing how the average price level of all those goods and services (basket of goods and services) bought by a typical consumer or household changes over time. The inflation rate is the annual percentage change in the CPI.

### Survey of Income and Expenditure of Households (IES)

- Stats SA conducts a Survey of Income and Expenditure of Households every five years. This survey is conducted by enumerators visiting a number of households throughout South Africa to obtain details on income and expenditure of households. The information obtained through this survey is weighted according to the Population Census figures in order to represent all households in South Africa.
- 5 Every five years the results from this survey are used to identify the goods and services bought by a typical consumer or household and which should be included in the basket of goods and services used to monitor price changes.
- Furthermore, every five years the results from the Survey of Income and Expenditure of Households are used to determine the weights of the products/groups (indicator products) in the basket. The weights of a specific product/group is calculated by dividing the total amount spent by all households in South Africa on the specific product/group by the total amount spent on all goods and services by all households.

### 2000 Survey of Income and Expenditure of Households

- 7 Stats SA conducted the five-yearly Survey of Income and Expenditure of Households in October 2000 covering a sample of 30 000 households. The information obtained through this survey was weighted according to the 1996 Population Census figures in order to represent all households in South Africa.
- The 2000 Survey of Income and Expenditure of Households collected information regarding approximately 1 000 different goods and services groups. Stats SA made a further breakdown of these groups using supplementary sources. This process led to a list of approximately 1 500 groups on which the current calculation of the CPI is based.
- Based on the above-mentioned information for 2000 (see paragraphs 7 and 8), the new weight for a specific product/group was calculated by dividing total expenditure by all households in South Africa on the specific product/group by total expenditure on all goods and services by all households in South Africa. Stats SA implemented the new weights, i.e. the 2000 weights based on the 2000 Survey of Income and Expenditure of Households, as from the January 2002 CPI publication.

### Basket of goods and services

10 The current CPI basket covers approximately 1 500 goods and services.

- 11 These goods and services are grouped according to the International Trade Classification into 17 main groups -
  - Food;
  - Non-alcoholic beverages;
  - Alcoholic beverages;
  - Cigarettes, cigars and tobacco;
  - Clothing and Footwear;
  - Housing;
  - Fuel and power;
  - Furniture and equipment;
  - Household operation;
  - Medical care and health expenses;
  - Transport;
  - Communication;
  - Recreation and entertainment;
  - Reading matter;
  - Education;
  - Personal care; and
  - Other.
- These goods and services are grouped according to an alternative classification, i.e. the COICOP classification, into nine main groups
  - Food, beverages and tobacco;
  - Clothing and Footwear;
  - Housing, water, electricity, gas and other fuels;
  - Furnishings, household equipment and routine maintenance of the house;
  - Health;
  - Transport;
  - Leisure, entertainment and culture;
  - Education; and
  - Miscellaneous goods and services.

### Weighting basis

13

The CPI is a fixed weights index, which implies that the weight of each product/group stays the same for the five year period until the results of the next Survey of Income and Expenditure of Households become available.

# Expenditure groups

14 Five expenditure group categories or quintiles are defined according to total annual expenditure per household as at October of the year of the Survey of Income and Expenditure of Households. The five expenditure group categories used in this publication were defined according to total annual expenditure per household as at October 2000. These categories are as follows –

- very low expenditure group up to R8 070;
- low expenditure group R8 071 up to R12 263;
- middle expenditure group R12 264 up to R24 365;
- high expenditure group R24 366 up to R55 159; and
- very high expenditure group R55 160 and more.

### Scope of the CPI survey

15 The Survey of Retail Prices is a retail trade and service outlets sample survey covering prices of selected consumer goods and services sold by these retail trade and service outlets to consumers in the 12 metropolitan and 40 other urban areas in the nine provinces. The results of the survey are used to compile the Consumer Price Index, an economic indicator.

- Prices of goods and services included in the CPI are collected as at any day between the first and the seventh of the month concerned. Although these prices are generally collected monthly (see list of items in paragraph 17), the prices of some items are collected quarterly (see list of items in paragraph 18), six monthly or annually (see list of items in paragraph 19). The collection of prices depends on the frequency at which these prices tend to change. However, if it comes to the attention of Stats SA that prices are about to change, these prices will be collected, even if it is not according to the normal collection schedule.
- 17 Prices of items/products collected monthly:
  - Bread.
  - Meat.
  - Milk.
  - Vegetables and fruit.
  - Other groceries.
  - Alcoholic beverages.
  - Sweets, non-alcoholic beverages, ice-cream and tobacco products.
  - Clothing and footwear.
  - Repairs of clothing, footwear and furniture.
  - Interest rates on mortgage bonds.
  - Coal and wood.
  - New vehicles, repairs and services.
  - Motor spare parts and accessories.
  - Petrol.
  - Newspapers and magazines
  - Entrance fees drive-inns and bioscopes
  - Air transport fees
  - Cellular phone tarrifs
  - Furniture and equipment
  - Medicine
  - Garden Tools
  - Washing ironing and dry-cleaning
  - Sport equipment
  - Reading matter and stationary
  - Tariffs of hairdressing services
  - Ironware and crockery
  - New and retread tyres
  - Household textiles
  - Electrical appliances and equipment
  - Medical, toilet and photographic requisites and services
  - Musical instruments
  - Prices of pets

### Prices of items/products collected quarterly:

Items/products	Months of survey
Rent of dwellings.	• January, April, July and October
Motor vehicle insurance.	March, June, September and December

### 19 Prices of items/products collected annually:

Ite	ms/products	Mo	onth of survey
•	Doctor's and dentist's fees.	•	January
•	Motor vehicle license and registration fees.		
•	Telephone (land lines)		
•	Toll-fees at toll-gates.	•	March
•	School funds.		
•	University boarding and class fees.		
•	Parking fees.	•	April
•	Postal tariffs.		

Public transport	• June
Property taxes.	• July
Refuse removal.	
Sanitary fees.	
Maintenance of graves; and	• October

**20** Prices of items/products collected at other times of the year:

Items/products	Months of survey
Contribution to medical aid	<ul> <li>January, April and July</li> </ul>
Property insurance	January and July
Hospital fees	
Water	January, July and August
Electricity	
Domestic workers	February, September
Television licenses	April, October

### Classification

- The International Trade Classification (ITC) was used to classify the products and services contained in the basket of goods and services.
- A further classification of the products and services in the basket of goods and services, in line with international practices, was done according to the Classification of Individual Consumption by Purpose (COICOP). The indices according to this classification are published in tables 3.11 and 4.11.

#### Statistical unit

The statistical unit is the department (e.g food department, hardware department, clothing department) of the retail trade and service establishments (branches). The establishment is the smallest economic unit that functions as a separate entity. Information is obtained from the different departments in each establishment. Each department in the establishment is classified according to the classification of the products that the department sells, which is then classified according to ITC as well as COICOP.

### Survey methodology and design

- Different phases of sampling takes place. Firstly, a sample of goods and services, based on the information collected through the Survey of Income and Expenditure of Households, is designed and selected. An indicator product is selected purposively within each product group. To be selected, a product should constitute a large quantity, at least 0,01% of total expenditure. Furthermore, it must be possible to obtain price quotations for the relevant product during the whole year. The sample of indicator products is revised every five years at which stage the weights of the indicator products/groups are also revised.
- Secondly, a geographical sample for price collection is designed and selected. Currently 12 major metropolitan areas, covering all nine provinces, are included in the geographical sample for price collection. The "other urban areas" are covered by nine provincial samples of four to five urban areas each, depending on the population size of the area. Therefore, a total of 40 "other urban areas" is sampled.
- Thirdly, for each of the 52 sample areas, a retail trade and service outlet sampling frame is constructed, based on available data sources, mainly the business register of Stats SA, telephone directories and lists obtained from the head offices of chain stores. The sample is purposively distributed geographically within areas. Specific retail trade and service outlets are selected randomly within each area. Prices are collected from department stores, as well as specialist shops. The sample of outlets is revised every five years when the weights are revised.
- Currently, an average of 110 000 price quotations are collected each month from approximately 2 200 outlets by means of 6 700 questionnaires. The indices are based on retail trade and service prices.

### **Pricing basis**

28

29

Price information refers to the first seven days of the relevant month. **The prices of all items include VAT.** 

# Processing of price information

The prices that are quoted for the different products/services are edited to ensure that it is price comparable with the prices received for the same products in the previous month. If the price information difference between successive periods are outside the specified range, the current price levels are confirmed with the relative respondents through a telephone inquiry.

# Calculating product price indices

Price relatives are calculated for each product per respondent by dividing the current price by the previously quoted price. The price relative for each product is calculated by means of the geometric mean of the price relatives for each respondent. This price relative for each product is then multiplied with the product index for the previous month in order to obtain a product index for the relevant month.

As no pricing surveys are yet undertaken in the rural areas, the prices monitored in the smaller towns will be used to calculate price relatives for each product.

# Calculating group price indices

31 Group price indices are calculated by weighting product indices with the relevant product weight, according to each weighting structure, using the Laspeyres formula.

# Contributions of specific items to the total CPI

32 The monthly (annual) contribution of a specific item or group of items to the total CPI is calculated by multiplying the weight of this item or group of items with the monthly (annual) change in the index for this item or group of items, divided by the index for 'All items'.

### **Core index**

- 33 The primary objective of calculating core inflation is to capture the underlying inflation pressures in the economy, i.e. the trend in the general price level which reflects the balance between aggregate demand and supply in the economy over the medium term. Core inflation is a measure designed in relation to the specific structure of a country's economy. Hence in the South African context, the core index is derived by excluding items from the CPI basket on the basis that changes in their prices are highly volatile, subjected to temporary influences, or affected by government intervention and policy.
- Exclusions from the CPI to obtain the core index, and the reasons for exclusion are as follows
  - Fresh and frozen meat and fish: Prices may be highly volatile, particularly during and following periods of drought.
  - Fresh and frozen vegetables and fresh fruit and nuts: Prices may be highly volatile from month to month due to their sensitivity to climatic conditions.
  - Interest rates on mortgage bonds and overdrafts/personal loans: These are excluded due to their "perverse" effect on the CPI. A tightening in monetary policy to counter inflation pressures would cause interest rates to rise and be reflected in the interest cost component of measured inflation. This, in turn, could provoke a further tightening of monetary policy resulting in excessive movements in the inflation rate.
  - Changes in VAT (Value Added Tax): VAT is predominantly determined by government (fiscal policy).
  - Assessment rates: These taxes are predominantly determined by local government.
- 35 The choice of exclusions was informed by best practice amongst several other international agencies, and after consultation with the south African Reserve Bank and other local technical experts

### CPI excluding interest rates on mortgage bonds (CPIX)

In other countries in the world such as New Zealand, Sweden and Australia, which adopted inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, the Core index excluding petrol and the CPIX. Stats SA has accordingly calculated these measures and only the CPIX and the Core index are included in this release.

# Seasonal adjustment

Seasonal fluctuations in a time series are those fluctuations, which usually tend to occur at about the same time and with the same magnitude each year. This may be the result of climatic influences or other social and commercial habits (e.g. the price of bread, which was previously revised in October of each year). In the analysis of time series, Stats SA makes use of the X-11 technique, which was developed by the American Bureau of Census. The seasonally adjusted indices for the latest month are calculated with seasonal factors, which are based on a time series analysis of information, including the previous month. Thus these indices change every time that another month is added. In the past Stats SA did not revise the seasonal adjusted indices on a monthly basis, but revised the historical seasonally adjusted indices for a year, annually in January of each year. This methodology caused diversion between the annual changes in the seasonally adjusted and actual indices. After thorough investigations it was decided that the latest seasonally adjusted indices will be published every month. This mean that the seasonally adjusted figures will not have a fixed base such as the figures of the time series for which seasonally adjustments were done. It also implies that the values of the seasonally adjusted indices will be changing on a monthly basis.

### Reliability of estimates

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Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to reduce non-sampling errors to a minimum by careful designing the questionnaires, editing data and efficient operating procedures.

# Related publications

39 Users may also wish to refer to the following publications, which are available from Stats SA –

- Bulletin of Statistics; and
  - SA Statistics.

# **Unpublished** statistics

In some cases, Stats SA can also make available formation which is not published. This information can be made available in one or more of the following ways: computer printout, diskette or CD. Generally a fee is levied for providing unpublished information.

# Symbols and abbreviations

Stats SA Statistics South Africa
.. not available
- nil or not applicable

\* revised since previous publication

avg average

### **GLOSSARY**

### **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.

# Annual percentage change

The annual percentage change is the change in the index of the relevant month of the current year compared with the index of the same month in the previous year expressed as a percentage.

# Average annual inflation rate

The average annual inflation rate is the change in the average CPI for all items of one year compared with the average CPI for all items of the previous year expressed as a percentage.

# Average annual percentage change

The average annual percentage change is the change in the average index of one year compared with the average index of the previous year expressed as a percentage.

### CPI excluding Interest rates on mortgage bonds (CPIX)

The CPI excluding interest rates on mortgage bonds (CPIX) is derived by excluding the interest rates on mortgage bonds from the basket of goods and services, which is used to compile the Consumer Price Index.

In other countries in the world such as New Zealand, Sweden and Australia, which adopted inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, and the CPI excluding interest rates on mortgage bonds. Stats SA has accordingly calculated these measures and the CPI excluding interest rates on mortgage bonds CPIX, is included in this release.

### **Core index**

The core index is derived by exclusions from the CPI on the basis that changes in their prices are policy.

Exclusions from the CPI to obtain the core index, and the reasons for exclusion are as follows –

- Fresh and frozen meat and fish: Prices may be highly volatile, particularly during and following periods of drought.
- Fresh and frozen vegetables and fresh fruit and nuts: Prices may be highly volatile from month to month due to their sensitivity to climatic conditions.
- Interest rates on mortgage bonds and overdrafts/personal loans: These are excluded due to their "perverse" effect on the CPI. A tightening in monetary policy to counter inflation pressures would cause interest rates to rise and be reflected in the interest cost component of measured inflation. This, in turn, could provoke a further tightening of monetary policy resulting in excessive movements in the inflation rate.
- Changes in VAT (Value Added Tax): VAT is predominantly determined by government (fiscal policy).
- Assessment rates: These taxes are predominantly determined by local government.

### **Core inflation**

The primary objective of calculating core inflation is to capture the underlying inflation pressures in the economy, i.e. the trend in the general price level which reflects the balance between aggregate demand and supply in the economy over the medium term. Core inflation is a measure designed in relation to the specific structure of a country's economy. Hence in the South African context, core inflation is derived by the change in the Core index of the relevant month of the current year compared with the Core index of the same month in the previous year expressed as a percentage.

### **Establishment**

An establishment (branch) is the smallest economic unit that functions as a separate entity.

### **Indicator products**

Indicator products are those products or services that were selected in the basket, which is used to compile the Consumer Price Index.

### **Inflation rate**

Inflation rate is the annual percentage 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.

# Historical metropolitan area

Metropolitan areas in the CPI refer to the following 12 metropolitan areas used in the compilation of the CPI -

- Cape Peninsula
- Port Elizabeth/Uitenhage
- East London
- Kimberley
- Bloemfontein
- Free State Goldfields
- Durban/Pinetown
- Pietermaritzburg
- Pretoria/ Centurion/Akasia
- Witwatersrand
- Nelspruit/Witbank
- Polokwane (Pietersburg)

Initially 12 metropolitan areas were selected, based on the population figures as well as the size of the economical activity in these areas. However, when the 9 provinces were introduced the Vaal Triangle metropolitan area was included partially (van der Biljpark and Vereeniging) in the other urban areas of Gauteng and partially (Sasolburg) in the other urban areas of the Free State. Due to the fact that there were no metropolitan areas in the Limpopo Province and Mpumalanga, the main urban areas and Nelspruit/Witbank in each of these provinces were selected as metropolitan areas. Since 2002 the Klerksdorp/Orkney/Stilfontein area was omitted as no weighting structures for this area could be determined from the Survey of Income and Expenditure of Households, conducted in 2000.

# Monthly percentage change

The monthly percentage change is the change in the CPI of the relevant month compared to the CPI of the previous month expressed as a percentage.

### Weights

The weights are the relevant importance of the indicator product. The weight of a product is calculated by dividing the total expenditure by households on that product by the total expenditure on all goods and services by households.

### FOR MORE INFORMATION

Stats SA publishes approximately 300 different releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

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### Advance release calendar

An advance release calendar is disseminated on www.statssa.gov.za

### Stats SA products

A complete set of Stats SA publications is available in the Stats SA Library and the following libraries -

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Nelspruit
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

### **Electronic services**

A large range of data are available via on-line services, diskette and computer printouts. For more details about our electronic data services, contact (012) 310 8600/8390/8351/4892/8496/8095.

You can visit us on the Internet at: www.statssa.gov.za

### **Enquiries**

Technical enquiries: Martie Grobler

(012) 310 8421

Telephone number: (012) 310 8077/8151/8170 (survey area)

(012) 310 8600/8390/8351/4892/8496/8095 (user enquiries)

(012) 310 8161 (publishing) (012) 310 8490 (library)

Fax number: (012) 310 8502/3

Email: cpi@statssa.gov.za

Postal address: Private Bag X44, Pretoria, 0001

Produced by Stats SA