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Statistical release

P0141

Consumer Price Index

June 2010

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KEY FINDINGS

The headline CPI (for all urban areas) annual inflation rate in June 2010 was 4,2%. This rate was 0,4 of a percentage point lower than the corresponding annual rate of 4,6% in May 2010. However, on average, prices remained unchanged between May 2010 and June 2010.

The **food and non-alcoholic beverages** index decreased by 0,4% between May 2010 and June 2010. The annual rate decreased to 0,7% in June 2010 from 0,8% in May 2010. The monthly decrease in the food and non-alcoholic beverages index was largely driven by monthly decreases in fruit (-5,4%), sugar, sweets and desserts (-1,2%), bread and cereals (-0,7%), meat (-0,6%), other food (-0,4%), cold beverages (-0,3%), hot beverages (-0,2%) and milk, eggs and cheese (-0,1%). These decreases were counteracted by monthly increases in vegetables (1,7%) and fish (0,5%).

The **housing and utilities** index increased by 0,8% between May 2010 and June 2010, mainly due to a 1,5% increase in actual rentals for housing and a 1,1% increase in owners' equivalent rent. The annual rate decreased to 6,7% in June 2010 from 6,9% in May 2010.

The **transport** index decreased by 0,8% between May 2010 and June 2010, mainly due to a 27c/litre decrease in the price of petrol. The annual rate decreased to 2,2% in June 2010 from 3,5% in May 2010.

The **restaurants and hotels** index increased by 4,3% between May 2010 and June 2010, mainly due to a 17,6% increase in accommodation – hotels. Note that the 17,6% increase excludes educational boarding fees. The annual rate increased to 11,0% in June 2010 from 6,9% in May 2010.

The **miscellaneous goods and services** index decreased by 0,9% between May 2010 and June 2010, mainly due to a 16,8% decrease in motor vehicle insurance. The annual rate decreased to 7,4% in June 2010 from 8,6% in May 2010.

The provinces with an annual inflation rate lower or equal to headline inflation were Limpopo (3,1%), KwaZulu-Natal (3,2%), Northern Cape (3,6%), Eastern Cape (3,7%), North West (3,7%), Mpumalanga (3,8%), Free State (3,9%) and Gauteng (4,2%). The province with an annual inflation rate higher than headline inflation was Western Cape (4,8%).

Inflationary impact of the World Cup. Three items whose prices were potentially sensitive to the world cup were hotels, restaurants and airfares. Of the three, only hotels (excluding educational boarding fees) showed significant inflation in June, namely 17,6% month-on-month and 26,0% year-on-year. Restaurants increased by a modest 0,3% month-on-month. Airfares recorded a 3,3% drop between May and June.

It should be noted that Stats SA did not change its normal survey schedule or procedure to study the effect of the World Cup. This means that we did not survey prices at stadiums, fan parks or special transport or accommodation arrangements set up for world cup purposes.

NOTES

CPI for July 2010

No surveys in addition to the published surveys will be conducted in July 2010.

CPI for August 2010

Stats SA will be making an adjustment to the suite of indices published in the CPI each month. Currently Stats SA publishes an extensive set of geographic breakdowns. While the national Headline CPI is by far the most widely used of the CPI indicators, regional breakdowns are sometimes used in legal proceedings and contract adjustments. Our research shows that the provincial CPIs as well as the CPIs for certain primary urban areas (e.g. City of Cape Town, City of Johannesburg) are used for this purpose. The indices for secondary areas (for each province) are seldom used.

As from the August 2010 CPI release (published in September 2010), Stats SA will no longer publish the indices for secondary urban areas for each province individually. Rather, there will be one aggregated index for secondary areas at a national level. This will affect tables 13 - 16 in the Additional tables report. This change will have no negative impact on the robustness or accuracy of the suite of CPI indices including the Headline CPI.

P J Lehohla
Statistician-General

TABLES

Table A - Consumer Price Index: Indices and percentage changes

Index description			Weight	Index (2008=100)			Percentage change		
				Jun 2009	May 2010	Jun 2010	Month-on-month	Year-on-year	
CPI Headline			100,00	107,0	111,5	111,5	0,0	+4,2	
Analytical series	CPI per expenditure quintile	1	1,78	108,5	111,5	111,4	-0,1	+2,7	
		2	3,88	108,7	111,8	111,8	0,0	+2,9	
		3	7,17	108,5	111,9	111,8	-0,1	+3,0	
		4	15,61	107,7	111,8	111,8	0,0	+3,8	
		5	71,56	106,5	111,4	111,4	0,0	+4,6	
		CPI for all goods		54,20	106,3	109,6	109,1	-0,5	+2,6
		CPI for durable goods		14,79	103,9	101,5	101,2	-0,3	-2,6
		CPI for semi-durable goods		6,73	104,7	105,0	104,9	-0,1	+0,2
		CPI for non-durable goods		32,68	107,8	114,3	113,6	-0,6	+5,4
		CPI for services		45,80	107,7	113,7	114,3	+0,5	+6,1
		CPI for pensioners		..	107,4	112,3	112,3	0,0	+4,6
		CPI for administered prices	Total	14,66	99,8	111,4	110,6	-0,7	+10,8
			Regulated	9,62	96,2	108,7	107,4	-1,2	+11,6
			Not regulated	5,04	106,7	116,6	116,6	0,0	+9,3
		CPI for food and non-alcoholic beverages (NAB)		15,68	109,8	111,0	110,6	-0,4	+0,7
		CPI excluding food and NAB		84,32	106,4	111,6	111,7	+0,1	+5,0
		CPI excluding petrol		96,07	107,9	112,1	112,3	+0,2	+4,1
		CPI excluding food and NAB and petrol		80,39	107,6	112,3	112,6	+0,3	+4,6
		CPI excluding food and NAB, petrol, VAT, assessment rates, and finance charges		77,05	107,6	112,2	112,5	+0,3	+4,6
		CPI excluding housing		77,44	107,1	111,2	111,0	-0,2	+3,6
		CPI excluding petrol and energy		94,39	107,8	111,5	111,6	+0,1	+3,5
		CPI excluding energy		98,32	106,8	110,9	110,9	0,0	+3,8
		CPI excluding food and NAB, petrol and energy		78,71	107,4	111,6	111,9	+0,3	+4,2
	CPI excluding owners' equivalent rent		87,79	107,1	111,9	111,8	-0,1	+4,4	
	CPI excluding administered prices		85,34	108,2	111,5	111,7	+0,2	+3,2	
	CPI administered prices excluding petrol and paraffin		10,57	106,2	117,2	117,2	0,0	+10,4	
Geographic indices	CPI for primary urban areas		62,76	106,9	111,5	111,5	0,0	+4,3	
	CPI for secondary urban areas		20,33	107,2	111,6	111,5	-0,1	+4,0	
	CPI for rural areas [1]		16,91	107,8	110,8	110,6	-0,2	+2,6	
	CPI for total country		100,00	107,1	111,4	111,4	0,0	+4,0	
	CPI per province	Western Cape		18,33	106,8	112,0	111,9	-0,1	+4,8
		Eastern Cape		9,91	107,6	111,5	111,6	+0,1	+3,7
		Northern Cape		1,66	106,9	110,7	110,7	0,0	+3,6
		Free State		6,45	107,1	111,3	111,3	0,0	+3,9
		KwaZulu-Natal		14,08	107,6	111,0	111,0	0,0	+3,2
		North West		5,79	107,1	111,2	111,1	-0,1	+3,7
		Gauteng		32,77	106,8	111,3	111,3	0,0	+4,2
Mpumalanga			5,47	107,9	112,2	112,0	-0,2	+3,8	
	Limpopo		5,54	106,9	110,2	110,2	0,0	+3,1	

[1] The CPI for rural areas uses weights for rural areas but prices from secondary areas.

Note: Unless otherwise stated all tables refer to all urban areas.

Table B - Consumer Price Index: Index numbers and year-on-year rates

Base year: 2008=100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average [1]
Year													
2008													
Index	95,4	96,0	97,4	98,0	98,7	100,1	101,4	102,0	102,6	102,8	102,9	102,7	100,0
Rate	..	..	..	..	..	..	..	..	..	..	..	..	..
2009													
Index	103,1	104,3	105,7	106,2	106,6	107,0	108,2	108,5	108,9	108,9	108,9	109,2	107,1
Rate	8,1	8,6	8,5	8,4	8,0	6,9	6,7	6,4	6,1	5,9	5,8	6,3	7,1
2010													
Index	109,5	110,2	111,1	111,3	111,5	111,5	..	..	..	..	..	..	..
Rate	6,2	5,7	5,1	4,8	4,6	4,2	..	..	..	..	..	..	..

[1] Annual average.

CPI headline: Index numbers and inflation rate

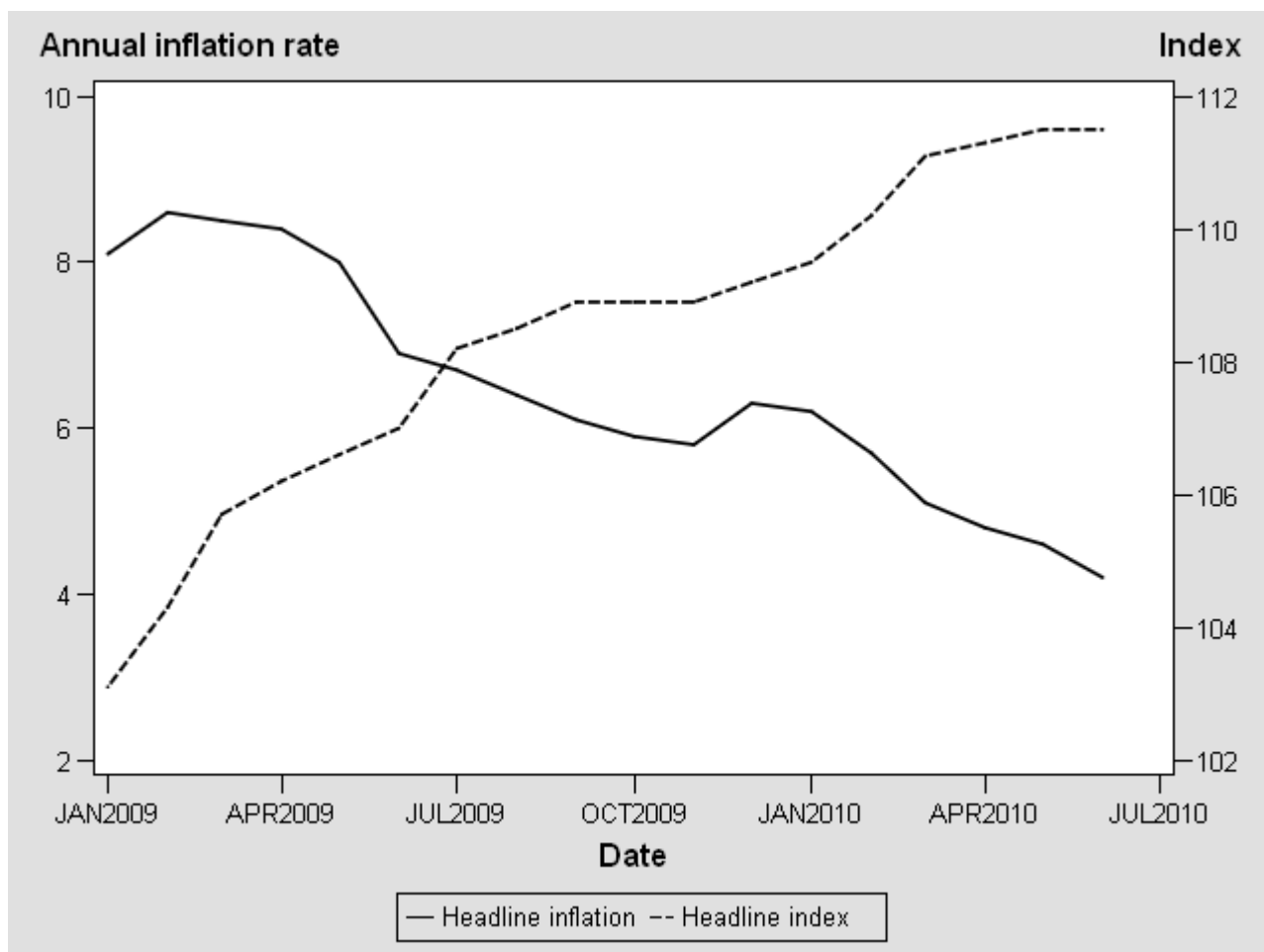


Table C - Contribution of different groups to the annual percentage change in the CPI

Product group	Contribution	
	May 2010	Jun 2010
Food and non-alcoholic beverages	+0,1	+0,1
Alcoholic beverages and tobacco	+0,6	+0,6
Clothing and footwear	+0,1	+0,1
Housing and utilities	+1,5	+1,5
Health	+0,1	+0,1
Transport	+0,6	+0,4
Recreation and culture	-0,1	-0,1
Education	+0,2	+0,2
Restaurants and hotels	+0,2	+0,3
Miscellaneous goods and services	+1,2	+1,0
Residual	+0,1	0,0
All Items	+4,6	+4,2

Table D - Contribution of different groups to the monthly percentage change in the CPI

Product group	Contribution	
	May 2010	Jun 2010
Food and non-alcoholic beverages	+0,1	-0,1
Housing and utilities	0,0	+0,2
Transport	+0,1	-0,1
Restaurants and hotels	0,0	+0,1
Miscellaneous goods and services	0,0	-0,1
All Items	+0,2	0,0

Table E - Consumer Price Index: Group and product indices and percentage changes

Index description	Weight	Index (2008=100)			Percentage change	
		Jun 2009	May 2010	Jun 2010	Month-on-month	Year-on-year
All Items	100,00	107,0	111,5	111,5	0,0	+4,2
Food and non-alcoholic beverages	15,68	109,8	111,0	110,6	-0,4	+0,7
Food	14,27	109,5	110,0	109,5	-0,5	0,0
Processed	6,79	109,5	111,2	110,9	-0,3	+1,3
Unprocessed	7,48	109,5	108,8	108,3	-0,5	-1,1
Bread and cereals	3,08	107,9	104,8	104,1	-0,7	-3,5
Meat	4,59	108,2	107,2	106,6	-0,6	-1,5
Fish	0,66	110,8	115,3	115,9	+0,5	+4,6
Milk, eggs and cheese	1,79	111,7	114,3	114,2	-0,1	+2,2
Oils and fats	0,53	96,1	91,1	91,1	0,0	-5,2
Fruit	0,47	106,7	117,0	110,7	-5,4	+3,7
Vegetables	1,63	114,2	115,9	117,9	+1,7	+3,2
Sugar, sweets and desserts	0,77	113,1	120,5	119,1	-1,2	+5,3
Other food	0,75	114,3	117,8	117,3	-0,4	+2,6
Non-alcoholic beverages	1,41	112,8	121,2	120,9	-0,2	+7,2
Hot beverages	0,34	124,3	126,3	126,0	-0,2	+1,4
Cold beverages	1,07	109,3	119,6	119,3	-0,3	+9,1
Alcoholic beverages and tobacco	5,58	110,4	122,5	122,3	-0,2	+10,8
Alcoholic beverages	3,29	109,3	116,5	116,2	-0,3	+6,3
Spirits	0,94	111,4	117,6	117,6	0,0	+5,6
Wine	0,72	108,3	115,9	115,9	0,0	+7,0
Beer	1,63	108,5	116,2	115,6	-0,5	+6,5
Tobacco	2,29	112,0	131,0	131,0	0,0	+17,0
Clothing and footwear	4,11	104,7	106,8	106,8	0,0	+2,0
Clothing	2,90	105,0	107,1	107,1	0,0	+2,0
Footwear	1,21	103,9	105,9	106,0	+0,1	+2,0
Housing and utilities	22,56	106,3	112,5	113,4	+0,8	+6,7
Actual rentals for housing	3,49	106,6	109,8	111,4	+1,5	+4,5
Owners' equivalent rent	12,21	105,6	108,5	109,7	+1,1	+3,9
Maintenance and repair	1,68	111,2	115,9	115,9	0,0	+4,2
Water and other services	3,31	102,3	111,9	111,9	0,0	+9,4
Electricity and other fuels	1,87	113,3	141,2	141,3	+0,1	+24,7
Household contents and services	5,86	106,9	105,8	106,6	+0,8	-0,3
Furnishings, floor coverings and textiles	2,17	100,3	96,4	95,8	-0,6	-4,5
Appliances, tableware and equipment	1,05	113,9	109,2	109,7	+0,5	-3,7
Supplies and services	2,64	109,5	112,3	114,2	+1,7	+4,3
Domestic workers' wages	1,99	107,2	110,8	113,4	+2,3	+5,8
Health	1,47	111,7	118,9	119,6	+0,6	+7,1
Medical products	0,57	112,8	117,4	119,3	+1,6	+5,8
Medical services	0,90	111,0	119,9	119,9	0,0	+8,0
Transport	18,80	100,4	103,4	102,6	-0,8	+2,2
Purchase of vehicles	11,25	103,8	103,1	102,9	-0,2	-0,9
Private transport operation	4,82	88,7	100,5	98,1	-2,4	+10,6
Petrol	3,93	83,1	96,6	93,5	-3,2	+12,5
Other running costs	0,89	113,3	118,0	118,1	+0,1	+4,2
Public transport	2,73	107,5	109,6	109,7	+0,1	+2,0
Communication	3,22	100,1	99,1	98,9	-0,2	-1,2
Postal services and telecommunication services	2,90	101,1	102,5	102,5	0,0	+1,4
Telecommunication equipment	0,32	91,7	68,2	66,5	-2,5	-27,5
Recreation and culture	4,19	112,5	111,5	111,0	-0,4	-1,3
Recreational equipment	2,23	110,1	104,3	103,7	-0,6	-5,8
Recreational and cultural services	1,25	120,1	123,6	123,6	0,0	+2,9
Books, newspapers and stationery	0,71	106,7	112,7	111,4	-1,2	+4,4
Education	2,19	111,7	122,0	122,0	0,0	+9,2
Primary and secondary education	1,28	113,1	124,6	124,6	0,0	+10,2
Tertiary	0,90	109,6	118,3	118,3	0,0	+7,9
Restaurants and hotels	2,78	111,2	118,3	123,4	+4,3	+11,0
Restaurants	1,85	111,1	117,4	117,7	+0,3	+5,9
Hotels	0,93	111,5	120,1	134,8	+12,2	+20,9

Index description		Weight	Index (2008=100)			Percentage change	
			Jun 2009	May 2010	Jun 2010	Month-on-month	Year-on-year
Miscellaneous goods and services		13,56	110,9	120,2	119,1	-0,9	+7,4
	Personal care	2,20	114,4	117,6	116,4	-1,0	+1,7
	Insurance	7,71	108,1	121,4	119,9	-1,2	+10,9
	Financial services	1,27	114,4	119,4	119,4	0,0	+4,4
	Other services	2,38	114,5	119,1	119,1	0,0	+4,0

GLOSSARY

A complete set of definitions is available in the methods and sources document on the Stats SA website <http://www.statssa.gov.za>

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 for administered prices	An administered price is defined as the price of a product which is set consciously by an individual producer or group of producers and/or any price which can be determined or influenced by government, either directly or through a government agency/institution without reference to market forces. Products and services included are assessment rates, sanitary fees, refuse removal, water, electricity, paraffin, petrol, public transport – trains, motor licences, motor registration, telephone fees, postage, cell calls, television licence, school fees, university/technicons/colleges and university boarding fees.
CPI for regulated prices	Regulated prices are those administered prices that are monitored and controlled by government policy. To this end, price regulation does not necessarily imply the presence of an economic regulator, but the restriction on the extent to which prices may vary, depending on government's policy objective. Products and services included are water, electricity, paraffin, petrol, telephone fees, postage and cell calls.
Inflation rate	The 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.
Monthly percentage change	The monthly percentage change is the change in the CPI of the relevant month compared with the CPI of the previous month expressed as a percentage.
CPI per expenditure quintile	quintile 1 - up to R 14 564; quintile 2 - R 14 565 up to R 23 278; quintile 3 - R 23 279 up to R 36 755; quintile 4 - R 36 756 up to R 79 152; and quintile 5 - R 79 153 and more.

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Enquiries

Technical enquiries:	Anita Voges, Marietjie Bennett (012) 310 8151 / 8077
Telephone number:	(012) 310 8077 / 8151 (survey area) (012) 310 8600 / 8390 / 8351 / 4892 / 8496 / 8095 (user) (012) 310 8161 (publishing) (012) 310 8490 (library)
Fax number:	(012) 310 8502
Email:	cpi@statssa.gov.za (technical enquiries) info@statssa.gov.za (user information services) distribution@statssa.gov.za (orders)
Postal address:	Private Bag X44, Pretoria, 0001

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