

# **Statistical Release P0141.1**

**Prices : Consumer Price Index**

August 1996

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## **INFLATION RATE INCREASES FOR THE FOURTH CONSECUTIVE MONTH**

The official inflation rate, i.e. the annual rate of change in the Consumer Price Index, is 7,5% at August 1996. This is 0,4 of a percentage point higher than the corresponding annual rate of 7,1% at July 1996.

The Consumer Price Index, as well as the seasonally adjusted index, increased by 0,5% from July 1996 to August 1996.

An alternative expression of the change in the CPI is to annualise the change between the average index of the three months up to August 1996 and the average index of the previous three months. This approach should use seasonally adjusted data, yielding a 9,3% increase and 9,5% unadjusted.

### **MONTHLY INCREASE OF 0,5%**

The contributors to the monthly increase of 0,5% are the increases in the price indices for food (+0,4 of a percentage point), housing (+0,1 of a percentage point) and all other items (+0,1 of a percentage point). These increases were slightly counteracted by a decrease in the price index for transport (contributing -0,1 of a percentage point, mainly due to a decrease of 6c per litre in petrol prices).

### **FOOD PRICES**

The price index for food shows an annual rate of increase of 7,9% at August 1996. This rate is 3,1 percentage points higher than the corresponding annual rate of 4,8% at July 1996.

From July 1996 to August 1996 food prices increased by 1,7%. This increase was caused by increases in the prices of grain products (+1,1%), meat (+1,5%), milk, cheese and eggs (+1,7%), fats and oils (+0,1%), fruit and nuts (+1,4%), vegetables (+6,4%), sugar (+0,3%), coffee, tea and cocoa (+0,3%) and "other" food items (+0,9%). These increases were slightly counteracted by a decrease in the prices for fish and other seafood (-0,6%).

### **THE MONTHLY INCREASE IN THE PRICE INDEX FOR ALL ITEMS EXCLUDING FOOD IS 0,2%**

The monthly increase of 0,2% in the index for all items excluding food is the result of monthly increases in the price indices for non-alcoholic beverages (+0,5%), alcoholic beverages (+0,2%), cigarettes, cigars and tobacco (+2,2%), clothing and footwear (+0,2%), housing (+0,3%), fuel and power (+0,9%), furniture and equipment (+0,1%), household operation (+0,8%), recreation and entertainment (+0,3%) and "other" items (+0,9%), counteracted by a decrease in the price index for transport (-0,5%).

### **INCOME GROUP INDICES**

An inflation rate of 7,5% was recorded for the lower income group, 7,9% for the middle income group and 7,3% for the higher income group.

## **URBAN AREAS INDICES**

The highest inflation rate of 8,1% was recorded for Durban/Pinetown, while the lowest inflation rate of 6,6% was recorded for Kimberley.

Regarding food, the highest annual rate of increase of 9,8% was recorded for East London, while the lowest rate of 5,2% was recorded for Kimberley.

## **INFLATION RATE FOR PENSIONERS**

The inflation rate for pensioners is 7,7% at August 1996. The highest rate of increase of 8,3% was recorded for the Cape Peninsula and for the Nelspruit/Witbank-area, while the lowest rate of increase of 6,5% was recorded for Pietersburg.

## **FOOD INFLATION AS MEASURED AT CHAIN-STORES AND OTHER RETAILERS**

Food prices at chain-stores show an annual rate of increase of 8,0%, while food prices at other retailers show an annual rate of increase of 7,7%. From July 1996 to August 1996, food prices at chain-stores increased by 1,7%, while food prices at other retailers increased by 2,1%.

## **CPI FOR SEPTEMBER 1996**

In addition to the normal price surveys for September 1996, it has come to the attention of the CSS that changed prices apply with effect from September 1996 with regard to certain urban areas' water tariffs, electricity, assesment rates, refuse removal and sanitary services.

## **EXPLANATORY NOTES**

1. All price information refers to the first seven days of the relevant month.
2. The Consumer Price Indices relating to different urban areas as shown in Table 4 do not permit inter-urban comparison of price levels or living costs. The indices do not indicate whether it is more expensive to live in one city than in another. The indices indicate for each urban area, independently of any of the other urban areas, the price changes which have taken place from time to time.
3. Consumer Price Indices have been compiled for the areas Pietersburg and Nelspruit/Witbank as from July 1994. Although prices are collected in each of the respective areas, the indices for June 1994 and the weighting structure of Pretoria were used as basis for the CPI for Pietersburg and those of the Vaal Triangle as basis for Nelspruit/Witbank. The weighting structure of the said areas will be used until the results of the Survey of the Expenditure of Households, which took place in 1995 are available, and the weighting structure for each of the new areas will then be determined accordingly. Furthermore, it should be noted that the indices for the weighted average have been calculated excluding the new areas. The new areas will be taken into account in the calculation of the weighted average as soon as a weighting structure for each has been brought into effect.

4. The indices for all items excluding food, Table 4.4, have been calculated for each area separately as from July 1994. These indices are calculated by means of the index for all items and the index for food of each area.

5. Value Added Tax (VAT) is included in general in the prices of all items on which VAT is applicable.

6. A more comprehensive description of the weighting system, seasonal adjustment, price collection methodology, etc., appears in the brochure "Inflation" as well as in the notes to Chapter 3 of the Bulletin of Statistics.

TABLE 1 INCOME GROUP INDICES AND PERCENTAGE CHANGE

BASE : 1990 = 100

Group	Aug. 1996	Jul. 1996	Aug. 1995	Percentage change compared with		
				Jul. 1996		Aug. 1995
				Actual	Seasonally adjusted	Actual
Lower income group	183,0	181,8	170,2	+0,7	+0,5	+7,5
Middle income group	188,0	186,9	174,2	+0,6	+0,5	+7,9
Higher income group	184,4	183,5	171,9	+0,5	+0,5	+7,3
All income groups	184,8	183,8	171,9	+0,5 <sup>1)</sup>	+0,5 <sup>1)</sup>	+7,5 <sup>1)</sup>
Food only	210,3	206,8	194,9	+1,7	+1,0	+7,9
All items excluding food	178,5	178,1	166,3	+0,2	+0,3	+7,3
All income groups (VAT EXCLUDED)	178,8	177,8	166,3	+0,6 <sup>1)</sup>	+0,5 <sup>1)</sup>	+7,5 <sup>1)</sup>

1) On theoretical grounds and due to rounding off, these rates of change can differ.

TABLE 2 EFFECT OF PRICE CHANGES ON THE CONSUMER PRICE INDEX - ALL INCOME GROUPS

Group	Contribution
Food	+0,4
Housing	+0,1
Transport	-0,1
All other items	+0,1
All items	+0,5

TABLE 3 GROUP INDICES - WEIGHTED AVERAGE OF THE PRINCIPAL URBAN AREAS

BASE : 1990 = 100

Group				Percentage change compared with		Weights
	Aug. 1996	Jul. 1996	Aug. 1995	Jul. 1996	Aug. 1995	
	All items	184,8	183,8	171,9	+0,5	
Lower income group	183,0	181,8	170,2	+0,7	+7,5	19,42
Middle income group	188,0	186,9	174,2	+0,6	+7,9	24,09
Higher income group	184,4	183,5	171,9	+0,5	+7,3	56,50
Commodities	188,9	187,6	176,8	+0,7	+6,8	57,92
Services	181,3	180,7	167,0	+0,3	+8,6	42,08
All items, excluding housing	194,5	193,4	182,0	+0,6	+6,9	79,46
All items, excluding food	178,5	178,1	166,3	+0,2	+7,3	81,36
Food	210,3	206,8	194,9	+1,7	+7,9	18,64
Lower income group	209,7	206,5	194,1	+1,5	+8,0	25,16
Middle income group	211,4	208,0	195,5	+1,6	+8,1	20,85
Higher income group	210,0	206,2	194,8	+1,8	+7,8	15,45
Processed	201,6	199,4	187,5	+1,1	+7,5	11,69
Unprocessed	218,0	213,7	201,7	+2,0	+8,1	6,95
Grain products	201,5	199,3	180,6	+1,1	+11,6	2,92
Meat	217,3	214,1	206,3	+1,5	+5,3	6,17
Fish and other seafood	188,9	190,0	176,3	-0,6	+7,1	0,70
Milk, cheese and eggs	190,4	187,3	174,0	+1,7	+9,4	2,28
Fats and oils	208,5	208,3	193,6	+0,1	+7,7	0,87
Fruit and nuts	265,0	261,4	239,3	+1,4	+10,7	1,18
Vegetables	225,5	211,9	205,5	+6,4	+9,7	1,88
Sugar	204,5	203,9	188,9	+0,3	+8,3	0,48
Coffee, tea and cocoa	193,3	192,7	188,8	+0,3	+2,4	0,59
Other	196,2	194,4	181,4	+0,9	+8,2	1,57
Non-alcoholic beverages	211,1	210,0	190,3	+0,5	+10,9	0,69
Alcoholic beverages	203,6	203,1	189,1	+0,2	+7,7	0,96
Cigarettes, cigars and tobacco	238,0	232,9	207,4	+2,2	+14,8	1,21
Clothing and footwear	148,9	148,6	143,5	+0,2	+3,8	7,02
Clothing	148,4	148,3	143,1	+0,1	+3,7	5,87
Footwear	149,8	148,7	144,0	+0,7	+4,0	1,15
Housing	145,1	144,6	131,2	+0,3	+10,6	20,54
Fuel and power	189,0	187,3	178,3	+0,9	+6,0	3,26
Furniture and equipment	145,4	145,3	140,4	+0,1	+3,6	5,50
Furniture	147,1	147,1	141,6	0,0	+3,9	2,47
Appliances	146,9	146,9	143,4	0,0	+2,4	1,57
Other household equipment and textiles	148,7	148,5	142,2	+0,1	+4,6	1,46
Household operation	220,4	218,7	197,5	+0,8	+11,6	2,57
Household consumables	194,6	193,5	178,8	+0,6	+8,8	1,37
Domestic workers	273,2	269,9	236,0	+1,2	+15,8	0,83
Other household services	210,2	210,2	191,8	0,0	+9,6	0,37
Medical care and health expenses	219,5	219,5	203,2	0,0	+8,0	5,22
Transport	192,2	193,1	181,8	-0,5	+5,7	14,43
Vehicles	209,1	208,0	204,8	+0,5	+2,1	5,51
Running cost	182,8	184,9	165,0	-1,1	+10,8	5,76
Public and hired transport	174,0	175,8	166,3	-1,0	+4,6	3,16
Communication	204,5	204,5	189,3	0,0	+8,0	1,61
Recreation and entertainment	159,9	159,4	152,0	+0,3	+5,2	3,71
Reading matter	213,0	213,0	192,9	0,0	+10,4	0,75
Education	310,9	310,9	284,4	0,0	+9,3	1,76
Personal care	176,8	176,8	163,9	0,0	+7,9	2,64
Other	184,9	183,3	176,0	+0,9	+5,1	9,49

TABLE 4 URBAN AREAS INDICES

TABLE 4.1 Index for all items - Each area compared with itself

BASE : 1990 = 100

Urban area	All items			Percentage change compared with	
	Aug. 1996	Jul. 1996	Aug. 1995	Jul. 1996	Aug. 1995
Cape Peninsula	187,9	186,4	174,6	+0,8	+7,6
Port Elizabeth / Uitenhage	186,9	185,6	173,3	+0,7	+7,8
East London	186,3	184,8	172,6	+0,8	+7,9
Kimberley	186,0	185,3	174,5	+0,4	+6,6
Pietermaritzburg	188,9	187,8	175,6	+0,6	+7,6
Durban / Pinetown	181,1	180,4	167,6	+0,4	+8,1
Pretoria / Centurion / Akasia	187,0	186,0	173,8	+0,5	+7,6
Witwatersrand	184,0	183,2	171,5	+0,4	+7,3
Klerksdorp / Stilfontein / Orkney	182,9	182,1	171,4	+0,4	+6,7
Vaal Triangle	174,8	174,1	163,4	+0,4	+7,0
Free State Goldfields	182,5	180,9	170,5	+0,9	+7,0
Bloemfontein	180,3	178,9	167,7	+0,8	+7,5
Weighted average of the twelve areas	184,8	183,8	171,9	+0,5	+7,5
Nelspruit / Witbank	172,1	171,7	160,3	+0,2	+7,4
Pietersburg	184,9	184,1	171,9	+0,4	+7,6

TABLE 4.2 Index for food - Each area compared with itself

BASE : 1990 = 100

Urban area	Food			Percentage change compared with	
	Aug. 1996	Jul. 1996	Aug. 1995	Jul. 1996	Aug. 1995
Cape Peninsula	221,4	218,0	203,9	+1,6	+8,6
Port Elizabeth / Uitenhage	216,9	212,2	199,2	+2,2	+8,9
East London	220,3	215,1	200,6	+2,4	+9,8
Kimberley	198,9	197,7	189,1	+0,6	+5,2
Pietermaritzburg	232,3	228,1	213,0	+1,8	+9,1
Durban / Pinetown	206,3	204,2	188,3	+1,0	+9,6
Pretoria / Centurion / Akasia	210,5	206,8	194,0	+1,8	+8,5
Witwatersrand	205,8	202,3	192,1	+1,7	+7,1
Klerksdorp / Stilfontein / Orkney	207,8	204,8	192,9	+1,5	+7,7
Vaal Triangle	194,9	192,1	182,5	+1,5	+6,8
Free State Goldfields	208,0	200,6	192,5	+3,7	+8,1
Bloemfontein	214,7	209,3	203,0	+2,6	+5,8
Weighted average of the twelve areas	210,3	206,8	194,9	+1,7	+7,9
Nelspruit / Witbank	190,4	188,2	176,0	+1,2	+8,2
Pietersburg	206,2	203,0	190,4	+1,6	+8,3

TABLE 4 URBAN AREAS INDICES (concluded)

TABLE 4.3 Index for all items excluding housing - Each area compared with itself

BASE : 1990 = 100

Urban area	All items excluding housing			Percentage change compared with	
	Aug. 1996	Jul. 1996	Aug. 1995	Jul. 1996	Aug. 1995
	Cape Peninsula	197,8	196,2	185,3	+0,8
Port Elizabeth / Uitenhage	197,1	195,6	183,6	+0,8	+7,4
East London	197,1	195,4	182,9	+0,9	+7,8
Kimberley	192,7	191,9	182,1	+0,4	+5,8
Pietermaritzburg	198,7	197,6	185,8	+0,6	+6,9
Durban / Pinetown	190,6	189,8	177,0	+0,4	+7,7
Pretoria / Centurion / Akasia	196,9	195,8	184,0	+0,6	+7,0
Witwatersrand	193,6	192,8	181,5	+0,4	+6,7
Klerksdorp / Stilfontein / Orkney	189,9	189,0	178,3	+0,5	+6,5
Vaal Triangle	181,1	180,3	169,5	+0,4	+6,8
Free State Goldfields	191,8	189,9	178,9	+1,0	+7,2
Bloemfontein	193,2	191,5	180,2	+0,9	+7,2
Weighted average of the twelve areas	194,5	193,4	182,0	+0,6	+6,9
Nelspruit / Witbank	177,4	177,0	166,0	+0,2	+6,9
Pietersburg	194,8	194,0	182,1	+0,4	+7,0

TABLE 4.4 Index for all items excluding food - Each area compared with itself

BASE : 1990 = 100

Urban area	All items excluding food			Percentage change compared with	
	Aug. 1996	Jul. 1996	Aug. 1995	Jul. 1996	Aug. 1995
	Cape Peninsula	175,8	174,9	163,8	+0,5
Port Elizabeth / Uitenhage	176,6	176,1	164,2	+0,3	+7,6
East London	175,7	175,1	163,6	+0,3	+7,4
Kimberley	178,8	178,2	167,0	+0,3	+7,1
Pietermaritzburg	175,1	174,8	163,4	+0,2	+7,2
Durban / Pinetown	169,5	169,1	157,4	+0,2	+7,7
Pretoria / Centurion / Akasia	179,3	178,8	166,9	+0,3	+7,4
Witwatersrand	175,9	175,8	164,0	+0,1	+7,3
Klerksdorp / Stilfontein / Orkney	173,5	173,2	162,9	+0,2	+6,5
Vaal Triangle	168,5	168,2	157,3	+0,2	+7,1
Free State Goldfields	171,1	170,9	160,2	+0,1	+6,8
Bloemfontein	170,1	169,7	157,5	+0,2	+8,0
Weighted average of the twelve areas	178,5	178,1	166,3	+0,2	+7,3
Nelspruit / Witbank	166,2	166,2	155,0	0,0	+7,2
Pietersburg	177,6	177,3	165,4	+0,2	+7,4



TABLE 5 SEASONALLY ADJUSTED INDICES

BASE : 1990 = 100

Group	BASE : 1990 = 100				Weights
	Aug. 1996	Jul. 1996	Jun. 1996	May 1996	
All items	184,3	183,4	182,6	180,5	100,00
Lower income group	182,4	181,5	180,4	178,9	19,42
Middle income group	187,7	186,7	185,7	183,5	24,09
Higher income group	183,8	182,9	182,3	180,0	56,50
All items excluding food	178,0	177,4	177,0	174,6	81,36
Commodities	188,5	187,4	186,0	184,4	57,92
Food	209,8	207,8	205,5	205,0	18,64
Food and non-alcoholic beverages	209,8	207,8	205,5	205,0	19,33
Alcoholic beverages, cigarettes, cigars and tobacco	220,9	218,8	218,6	216,2	2,17
Clothing and footwear	148,7	148,5	148,2	147,4	7,02
Furniture and equipment	145,5	145,1	144,6	143,2	5,50
Vehicles	209,0	207,8	208,6	206,4	5,51
Other transport commodities	177,4	179,2	181,5	172,4	5,09
Other commodities	183,9	182,5	179,0	178,5	13,30
Services	181,0	180,2	179,2	176,7	42,08
Housing and domestic workers	146,7	146,1	147,0	143,1	21,37
Transport	179,4	180,9	179,8	178,6	3,83
Other services	227,9	226,3	222,9	221,8	16,88
All items (VAT excluded)	178,4	177,5	176,8	174,7	100,00

TABLE 6 THE CONSUMER PRICE INDEX FOR PENSIONERS - URBAN AREAS INDICES

Each area compared with itself

BASE : 1990 = 100

Urban area	All items			Percentage change compared with	
	Aug. 1996	Jul. 1996	Aug. 1995	Jul. 1996	Aug. 1995
	Cape Peninsula	192,2	190,5	177,4	+0,9
Port Elizabeth / Uitenhage	187,7	186,0	174,0	+0,9	+7,9
East London	191,3	189,3	177,3	+1,1	+7,9
Kimberley	188,2	187,3	175,1	+0,5	+7,5
Pietermaritzburg	186,0	185,0	174,1	+0,5	+6,8
Durban / Pinetown	186,2	185,3	172,4	+0,5	+8,0
Pretoria / Centurion / Akasia	189,2	188,3	176,3	+0,5	+7,3
Witwatersrand	186,4	185,4	173,2	+0,5	+7,6
Klerksdorp / Stilfontein / Orkney	186,1	185,2	173,7	+0,5	+7,1
Vaal Triangle	179,8	178,9	167,6	+0,5	+7,3
Free State Goldfields	173,3	171,8	162,2	+0,9	+6,8
Bloemfontein	190,4	188,8	177,2	+0,8	+7,4
Weighted average of the twelve areas	188,1	186,9	174,6	+0,6	+7,7
Nelspruit / Witbank	177,0	176,4	163,5	+0,3	+8,3
Pietersburg	184,4	183,6	173,1	+0,4	+6,5

TABLE 7 PERCENTAGE CHANGE BY TYPE OF STORE

TABLE 7.1 Chain-stores 1/

Group	Percentage change compared with	
	Jul. 1996	Aug. 1995
Food	+1,7	+8,0
Processed	+1,0	+7,5
Unprocessed	+2,2	+8,1
Grain products	+0,8	+11,5
Meat	+1,7	+5,1
Fish and other seafood	-0,7	+7,5
Milk, cheese and eggs	+1,8	+8,8
Fats and oils	-0,1	+7,8
Fruit and nuts	+1,1	+10,8
Vegetables	+6,5	+11,2
Sugar	+0,1	+8,0
Coffee, tea and cocoa	+0,2	+2,2
Other	+0,9	+8,6

1/ With at least 15 branches

TABLE 7.2 Other retailers 2/

Group	Percentage change compared with	
	Jul. 1996	Aug. 1995
Food	+2,1	+7,7
Processed	+1,6	+7,5
Unprocessed	+2,2	+7,4
Grain products	+2,3	+11,2
Meat	+1,7	+5,8
Fish and other seafood	+0,2	+7,8
Milk, cheese and eggs	+1,2	+8,9
Fats and oils	+0,6	+7,3
Fruit and nuts	+2,0	+11,7
Vegetables	+7,1	+6,7
Sugar	+0,9	+9,5
Coffee, tea and cocoa	+0,7	+2,4
Other	+1,0	+7,5

2/ Retailers not considered as chain-stores (see Table 7.1)