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# **Consumer Price Index (CPI) Headline**

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**EXECUTIVE SUMMARY**

**KEY FIGURES AT DECEMBER 2005**

Main indices	Indices (2000=100)			Percentage change between	
	December 2004	November 2005	December 2005	November 2005 and December 2005	December 2004 and December 2005
				Actual %	Actual %
CPI (historical metropolitan areas)	125,0	129,5	129,5	0,0	+ 3,6
CPI excluding interest rates on mortgage bonds (CPIX) (historical metropolitan and other urban areas)	131,4	136,6	136,7	+ 0,1	+ 4,0

**KEY FINDINGS AT DECEMBER 2005**

The headline inflation rate at December 2005 (i.e. the Consumer Price Index for the historical metropolitan areas at December 2005 compared with that at December 2004) is 3,6%

*The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at December 2005 compared with that at December 2004) is 3,6% at December 2005. This rate is 0,2 of a percentage point higher than the corresponding annual rate of 3,4% at November 2005 (i.e. the percentage change in the CPI for the historical metropolitan areas at November 2005 compared with that at November 2004) (see table 2.1, p.17). This higher annual rate at December 2005 compared with that at November 2005 can be explained by an increase in the annual rate of change for:*

- *The CPI for food for which the rate increased from 2,4% at November 2005 to a higher rate of 4,3% at December 2005.*

*However, this increase was partially counteracted by decreases in the annual rates of change for:*

- *The CPI for transport for which the rate decreased from 6,3% at November 2005 to a lower rate of 5,7% at December 2005.*
- *The CPI for non-alcoholic beverages for which the rate decreased from 5,0% at November 2005 to a lower rate of 3,2% at December 2005.*

*From November 2005 to December 2005 the Consumer Price Index for the historical metropolitan areas remained unchanged.*

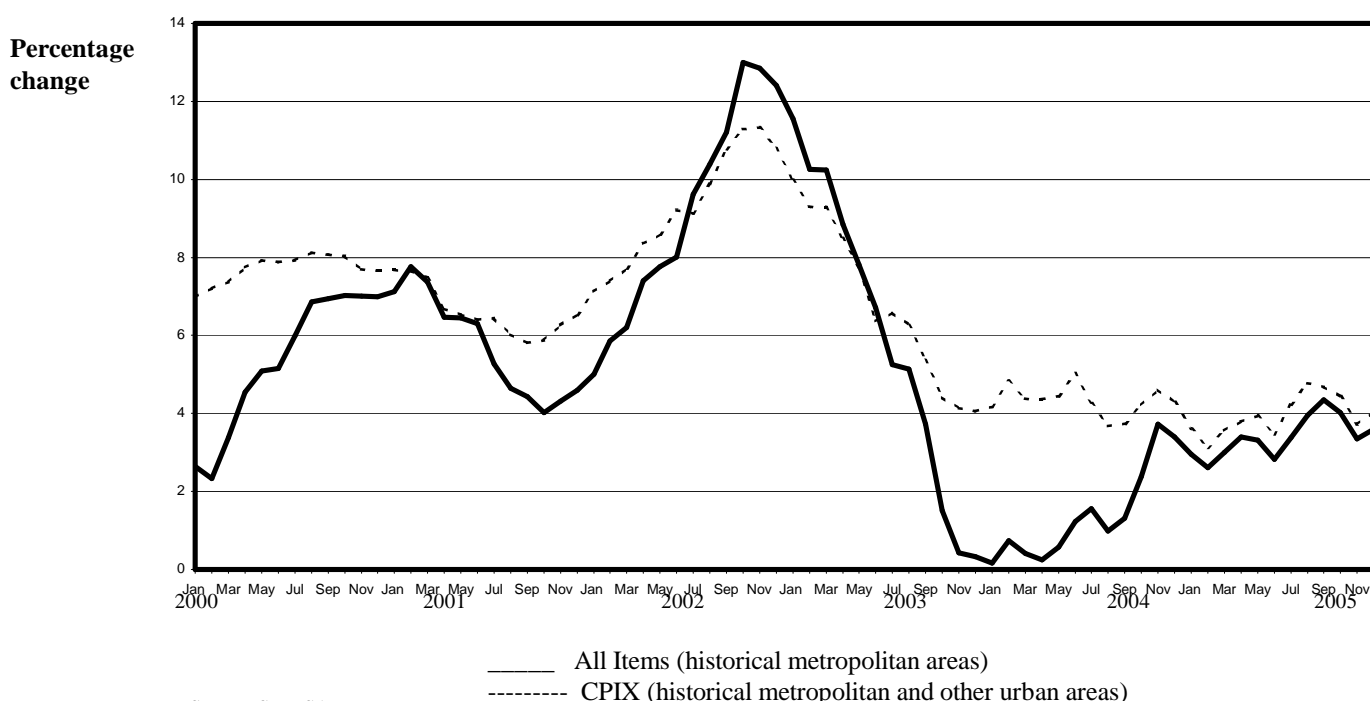
The annual increase of 3,6% in the Consumer Price Index for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,0 percentage point), transport (+ 0,8 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), household operation (+ 0,4 of a percentage point), education (+ 0,3 of a percentage point) and housing (+ 0,2 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 3, p.18).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan and other urban areas is 4,0% at December 2005 (i.e. the CPIX at December 2005 compared with that at December 2004)

*The annual percentage change in the CPIX, which is the Consumer Price Index excluding interest rates on mortgage bonds, for the historical metropolitan and other urban areas is 4,0% at December 2005 (i.e. the CPIX at December 2005 compared with that at December 2004). This rate is 0,3 of a percentage point higher than the corresponding annual rate of 3,7% at November 2005 (see table 2.2, p.17). From November 2005 to December 2005 the CPIX for the historical metropolitan and other urban areas increased by 0,1%.*

The annual increase of 4,0% in the CPIX for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,1 percentage points), transport (+ 0,8 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), housing, excluding interest rates on mortgage bonds (+ 0,5 of a percentage point), education (+ 0,4 of a percentage point) and household operation (+ 0,3 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 9, p.19).

**Figure 1 – Annual percentage change in the Consumer Price Index**



Source: Stats SA

**CPI FOR JANUARY 2006**

As indicated in the planned schedule of price surveys, explanatory notes 18, 19 and 20, the bus tariffs survey is done in June. It has come to Stats SA’s attention that price changes in this item will be introduced during the first seven days of January 2006 an additional survey for these items will be conducted in certain areas in January 2006 to capture these changes.

**Administered and regulated 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 one or other government agencies/institutions without reference to market forces.

Regulated prices are those administered prices that are said to be 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.

The CPI for administered prices at December 2005 (i.e. the CPI for administered prices for the historical metropolitan areas at December 2005 compared with that at December 2004) is 7,8%. This rate is 0,5 of a percentage point lower than the corresponding annual rate of 8,3% at November 2005 (see table 1, p.16).

The CPIX for administered prices at December 2005 (i.e. the CPIX for administered prices for the historical metropolitan and other urban areas at December 2005 compared with that at December 2004) is 7,0%. This rate is 0,5 of a percentage point lower than the corresponding annual rate of 7,5% at November 2005 (see table 1, p.16).

**KEY FINDINGS FOR THE YEAR 2005**

**The average annual figures are calculated once a year as soon as the December figures are available (see p. 38)**

**The official average annual inflation rate is 3,4% for the year 2005 (i.e. the average CPI for the historical metropolitan areas for the year 2005 compared with that for the year 2004)**

*The official average annual inflation rate is 3,4% for the year 2005 (i.e. the average CPI for the historical metropolitan areas for the year 2005 compared with that for the year 2004). This average annual inflation rate of 3,4% is 2,0 percentage points higher than the corresponding average annual inflation rate of 1,4% for the year 2004, while it is 2,4 percentage points lower than the corresponding average annual inflation rate of 5,8% for the year 2003 (see table A, p6).*

The official average annual CPIX inflation rate for the historical metropolitan and other urban areas for the year 2005 (i.e. the average CPIX for the year 2005 compared with that for the year 2004) is 3,9%, which is 0,4 of a percentage point lower than the corresponding average annual CPIX inflation rate of 4,3% for the year 2004 and 2,9 percentage points lower than the corresponding average annual CPIX inflation rate of 6,8% for the year 2003 (see table B, p7).

**P J Lehohla**  
**Statistician-General: Statistics South Africa**

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**HISTORICAL METROPOLITAN AREAS**

**KEY FINDINGS FOR THE YEAR 2005**

The average annual figures are calculated once a year as soon as the December figures are available (see p. 38)

The official average annual inflation rate is 3,4% for the year 2005 (i.e. the average CPI for the historical metropolitan areas for the year 2005 compared with that for the year 2004)

*The official average annual inflation rate is 3,4% for the year 2005 (i.e. the average CPI for the historical metropolitan areas for the year 2005 compared with that for the year 2004). This average annual inflation rate of 3,4% is 2,0 percentage points higher than the corresponding average annual inflation rate of 1,4% for the year 2004, while it is 2,4 percentage points lower than the corresponding average annual inflation rate of 5,8% for the year 2003 (see table A, p6).*

The average annual CPIX inflation rate for the historical metropolitan areas for the year 2005 (i.e. the average CPIX for the year 2005 compared with that for the year 2004) is 4,2%, which is 0,3 of a percentage point lower than the corresponding average annual CPIX inflation rate of 4,5% for the year 2004 and 2,5 percentage points lower than the corresponding average annual CPIX inflation rate of 6,7% for the year 2003 (see table A, p6).

The average annual core inflation rate for the historical metropolitan areas for the year 2005 (i.e. the average core index for the year 2005 compared with that for the year 2004) is 4,2%, which is 0,5 of a percentage point lower than the corresponding overall average annual core inflation rate of 4,7% for the year 2004 (see table A, p6).

The average annual food inflation rate for the historical metropolitan areas for the year 2005 (i.e. the average CPI for food for the year 2005 compared with that for the year 2004) is 2,2%, which is 0,1 of a percentage point lower than the corresponding overall average annual food inflation rate of 2,3% for the year 2004 (see table A, p6).

**KEY FIGURES FOR THE YEAR 2005**

The average annual figures are calculated once a year as soon as the December figures are available (see p. 38)

**Table A – Average annual Consumer Price Index (CPI) and the average annual inflation rate for the historical metropolitan areas according to main indices**

Main indices	Year					
	2003		2004		2005	
	Indices (2000=100)	% change	Indices (2000=100)	% change	Indices (2000=100)	% change
CPI	122,1	+ 5,8	123,8	+ 1,4	128,0	+ 3,4
CPIX	124,4	+ 6,7	130,0	+ 4,5	135,4	+ 4,2
Core index	123,7	+ 6,5	129,5	+ 4,7	134,9	+ 4,2
Food price index	131,9	+ 8,1	134,9	+ 2,3	137,9	+ 2,2

**HISTORICAL METROPOLITAN AND OTHER URBAN AREAS**

**KEY FINDINGS FOR THE YEAR 2005**

The average annual figures are calculated once a year as soon as the December figures are available (see p. 38)

The average annual inflation rate for the historical metropolitan and other urban areas is 3,3% for the year 2005 (i.e. the average CPI for the year 2005 compared with that for the year 2004)

*The average annual inflation rate for the historical metropolitan and other urban areas is 3,3% for the year 2005 (i.e. the average CPI for the year 2005 compared with that for the year 2004). This average annual inflation rate of 3,3% is 1,7 percentage points higher than the corresponding average annual inflation rate of 1,6% for the year 2004, and is 2,9 percentage points lower than the corresponding average annual inflation rate of 6,2% for the year 2003 (see table B, p7).*

The official average annual CPIX inflation rate for the historical metropolitan and other urban areas for the year 2005 (i.e. the average CPIX for the year 2005 compared with that for the year 2004) is 3,9%, which is 0,4 of a percentage point lower than the corresponding average annual CPIX inflation rate of 4,3% for the year 2004 and 2,9 percentage points lower than the corresponding average annual CPIX inflation rate of 6,8% for the year 2003 (see table B, p7).

The average annual core inflation rate for the historical metropolitan and other urban areas for 2005 (i.e. the average core index for the year 2005 compared with that for the year 2004) is 4,0%, which is 0,6 of a percentage point lower than the corresponding average annual core inflation rate of 4,6% for the year 2004 (see table B, p7).

The average annual food inflation rate for the historical metropolitan and other urban areas for the year 2005 (i.e. the average CPI for food for the year 2005 compared with that for the year 2004) is 2,1%, which is 0,1 of a percentage point higher than the corresponding average annual food inflation rate of 2,0% for the year 2004 (see table B, p7).

**KEY FIGURES FOR THE YEAR 2005**

The average figures are calculated once a year as soon as the December figures are available (see p. 38)

**Table B - Average annual Consumer Price Index (CPI) and the average annual inflation rate for the historical metropolitan and other urban areas according to main indices**

Main indices	Year					
	2003		2004		2005	
	Indices (2000=100)	% change	Indices (2000=100)	% change	Indices (2000=100)	% change
CPI	122,4	+ 6,2	124,4	+ 1,6	128,5	+ 3,3
CPIX	124,4	+ 6,8	129,8	+ 4,3	134,9	+ 3,9
Core index	123,4	+ 6,7	129,1	+ 4,6	134,2	+ 4,0
Food price index	133,0	+ 8,2	135,6	+ 2,0	138,4	+ 2,1



**HISTORICAL METROPOLITAN AREAS**

**KEY FIGURES AT DECEMBER 2005**

**Table C – Consumer Price Index (CPI) and the inflation rate for the historical metropolitan areas according to main indices**

Main indices	Indices (2000=100)			Percentage change between	
	December 2004	November 2005	December 2005	November 2005 and December 2005	December 2004 and December 2005
				Actual %	Actual %
CPI	125,0	129,5	129,5	0,0	+ 3,6
CPI excluding interest rates on mortgage bonds (CPIX)	131,7	137,2	137,2	0,0	+ 4,2
Core index	131,2	136,6	136,0	- 0,4	+ 3,7
Food price index	135,7	139,7	141,6	+ 1,4	+ 4,3
CPI excluding food price index	122,6	127,2	126,6	- 0,5	+ 3,3
CPI excluding Value Added Tax (VAT)	125,0	129,5	129,5	0,0	+ 3,6

**KEY FINDINGS AT DECEMBER 2005**

The headline inflation rate at December 2005 (i.e. the Consumer Price Index for the historical metropolitan areas at December 2005 compared with that at December 2004) is 3,6%

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at December 2005 compared with that at December 2004) is 3,6% at December 2005. This rate is 0,2 of a percentage point higher than the corresponding annual rate of 3,4% at November 2005 (i.e. the percentage change in the CPI for the historical metropolitan areas at November 2005 compared with that at November 2004) (see table 2.1, p.17). This higher annual rate at December 2005 compared with that at November 2005 can be explained by an increase in the annual rate of change for:

- The CPI for food for which the rate increased from 2,4% at November 2005 to a higher rate of 4,3% at December 2005.

However, this increase was partially counteracted by decreases in the annual rates of change for:

- The CPI for transport for which the rate decreased from 6,3% at November 2005 to a lower rate of 5,7% at December 2005.
- The CPI for non-alcoholic beverages for which the rate decreased from 5,0% at November 2005 to a lower rate of 3,2% at December 2005.

From November 2005 to December 2005 the Consumer Price Index for the historical metropolitan areas remained unchanged.

The annual increase of 3,6% in the Consumer Price Index for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,0 percentage point), transport (+ 0,8 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), household operation (+ 0,4 of a percentage point), education (+ 0,3 of a percentage point) and housing (+ 0,2 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 3, p.18).

From November 2005 to December 2005 the Consumer Price Index for the historical metropolitan areas remained unchanged. Although this index remained unchanged a monthly increase occurred in the price index for food (+ 0,3 of a percentage point). This monthly increase was counteracted by a monthly decrease in the price index for transport (- 0,3 of a percentage point, mainly due to a 30c/l decrease in the price of petrol) (see table 4, p.18).

**Annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan areas is 4,2% at December 2005 (i.e. the percentage change in the CPIX at December 2005 compared with that at December 2004)**

*The annual percentage change in the CPIX for the historical metropolitan areas is 4,2% at December 2005 (i.e. the percentage change in the CPIX at December 2005 compared with that at December 2004). This rate is 0,3 of a percentage point higher than the corresponding annual rate of 3,9% at November 2005 (i.e. the percentage change in the CPIX for the historical metropolitan areas at November 2005 compared with that at November 2004). From November 2005 to December 2005 the CPIX for the historical metropolitan areas remained unchanged.*

The annual increase of 4,2% in the CPIX for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,1 percentage points), transport (+ 0,9 of a percentage point), housing, excluding interest rates on mortgage bonds (+ 0,6 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), education (+ 0,4 of a percentage point) and household operation (+ 0,3 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 7, p.19).

From November 2005 to December 2005 the CPIX for the historical metropolitan areas remained unchanged. Although this remained unchanged a monthly increase occurred in the price index for food (+ 0,3 of a percentage point). This monthly increase was counteracted by a monthly decrease in the price index for transport (- 0,3 of a percentage point, mainly due to a 30c/l decrease in the price of petrol) (see table 8, p.19).

#### **Core inflation rate**

*The core inflation rate for the historical metropolitan areas (see explanatory notes 33, 34 and 35 on page 36) is 3,7% at December 2005 (i.e. the core index at December 2005 compared with that at December 2004). This rate is 0,3 of a percentage point lower than the corresponding annual rate of 4,0% at November 2005. From November 2005 to December 2005 the core index for the historical metropolitan areas decreased by 0,4%.*

The annual increase of 3,7% in the core index for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for transport (+ 1,1 percentage points), medical care and health expenses (+ 0,7 of a percentage point), housing (+ 0,5 of a percentage point), household operation (+ 0,4 of a percentage point) and education (+ 0,4 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 11, p.20).

From November 2005 to December 2005 the core index for the historical metropolitan areas decreased by 0,4%. This monthly decrease is due to a monthly contribution in the price index for transport (- 0,4 of a percentage point, mainly due to a 30c/l decrease in the price of petrol) (see table 12, p.20).

#### **Food inflation**

*The price index for food reflects an annual rate of increase of 4,3% at December 2005 (i.e. the CPI for food at December 2005 compared with that at December 2004). This rate is 1,9 percentage points higher than the corresponding annual rate of 2,4% at November 2005. From November 2005 to December 2005 this index increased by 1,4%.*

Annual increases occurred in the price indices for vegetables (+ 9,2%), fish and other seafood (+ 8,8%), fruit and nuts (+ 8,3%), meat (+ 7,8%), milk, cheese and eggs (+ 4,0%), sugar (+ 2,5%), coffee, tea and cocoa (+ 2,0%), "other" food products (+ 1,1%) and grain products (+ 0,4%). These annual increases were slightly counteracted by an annual decrease in the price index for fats and oils (- 2,1%) (see table 15, p.21).

Monthly increases occurred in the price indices for meat (+ 3,9%), fruit and nuts (+ 3,3%), sugar (+ 1,8%), fish and other seafood (+ 1,4%), grain products (+ 0,6%), vegetables (+ 0,3%) and milk, cheese and eggs (+ 0,1%). These monthly increases were slightly counteracted by monthly decreases in the price indices for "other" food products (- 0,6%), fats and oils (- 0,5%) and coffee, tea and cocoa (- 0,2%) (see table 15, p.21).

### **CPI excluding food**

*The price index for non-food items shows an annual rate of change of 3,3% at December 2005 (i.e. the CPI excluding food at December 2005 compared with that at December 2004). This rate is 0,4 of a percentage point lower than the corresponding annual rate of 3,7% at November 2005. From November 2005 to December 2005 this index decreased by 0,5%.*

Annual increases occurred in the price indices for education (+ 8,7%), cigarettes, cigars and tobacco (+ 8,0%), medical care and health expenses (+ 7,0%), household operation (+ 6,3%), transport (+ 5,7%), alcoholic beverages (+ 5,3%), reading matter (+ 4,3%), fuel and power (+ 3,5%), non-alcoholic beverages (+ 3,2%), personal care (+ 2,6%) and housing (+ 1,1%). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 4,4%), furniture and equipment (- 1,5%), recreation and entertainment (- 1,0%), communication (- 0,3%) and "other" products (- 0,2%) (see table 15, p.21).

Monthly decreases occurred in the price indices for transport (- 1,9%, mainly due to a 30c/l decrease in the price of petrol), non-alcoholic beverages (- 0,5%), furniture and equipment (- 0,4%), alcoholic beverages (- 0,3%), medical care and health expenses (- 0,3%), household operation (- 0,2%), recreation and entertainment (- 0,2%), cigarettes, cigars and tobacco (- 0,1%) and fuel and power (- 0,1%). These monthly decreases were slightly counteracted by monthly increases in the price indices for personal care (+ 0,3%) and housing (+ 0,1%) (see table 15, p.21).

### **An alternative expression of the change in the Consumer Price Index**

An alternative expression of the change in the Consumer Price Index is to annualise the percentage change between the average index of the three months up to December 2005 and the average index of the previous three months. This approach, when using unadjusted data shows an increase of 1,7% (which is 2,2 percentage point lower than the corresponding rate of 3,9% for November 2005).

### **Pensioners**

The annual inflation rate for pensioners in the historical metropolitan areas is 4,2% at December 2005 (i.e. the CPI for pensioners at December 2005 compared with that at December 2004), which is 0,4 of a percentage point lower than the corresponding annual rate of 3,8% at November 2005 (see table 25, p.31).

**HISTORICAL METROPOLITAN AND OTHER URBAN AREAS**

**KEY FIGURES AT DECEMBER 2005**

**Table D – Consumer Price Index (CPI) and the inflation rate for the historical metropolitan and other urban areas according to main indices**

Main indices	Indices (2000=100)			Percentage change between	
	December 2004	November 2005	December 2005	November 2005 and December 2005	December 2004 and December 2005
				Actual %	Actual %
CPI	125,6	129,9	130,0	+ 0,1	+ 3,5
CPI excluding interest rates on mortgage bonds (CPIX)	131,4	136,6	136,7	+ 0,1	+ 4,0
Core index	130,7	135,8	135,4	- 0,3	+ 3,6
Food price index	136,5	140,0	142,0	+ 1,4	+ 4,0
CPI excluding food price index	122,7	127,3	126,9	- 0,3	+ 3,4
CPI excluding Value Added Tax (VAT)	125,6	129,9	130,0	+ 0,1	+ 3,5

**KEY FINDINGS AT DECEMBER 2005**

**Inflation rate for the historical metropolitan and other urban areas is 3,5% at December 2005 (i.e. the CPI at December 2005 compared with that at December 2004)**

*The inflation rate for the historical metropolitan and other urban areas is 3,5% at December 2005 (i.e. the CPI at December 2005 compared with that at December 2004). This rate is 0,3 of a percentage point higher than the corresponding annual rate of 3,2% at November 2005. This higher annual rate at December 2005 compared with that at November 2005, can be explained by an increase in the annual rate of change for:*

- *The CPI for food for which the rate increased from 2,0% at November 2005 to a higher rate of 4,0% at December 2005.*

*However, this increase was partially counteracted by decreases in the annual rates of change for:*

- *The CPI for transport for which the rate decreased from 6,0% at November 2005 to a lower rate of 5,3% at December 2005.*
- *The CPI for non-alcoholic beverages for which the rate decreased from 4,8% at November 2005 to a lower rate of 3,6% at December 2005.*

*From November 2005 to December 2005 the Consumer Price Index for the historical metropolitan and other urban areas increased by 0,1%.*

The annual increase of 3,5% in the Consumer Price Index for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,0 of a percentage point), transport (+ 0,7 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), household operation (+ 0,4 of a percentage point) and education (+ 0,3 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 5, p.18).

From November 2005 to December 2005 the Consumer Price Index for the historical metropolitan and other urban areas increased by 0,1%. This monthly increase is due to a monthly contribution in the price index for food (+ 0,3 of a percentage point). This monthly increase was slightly counteracted by a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a 30c/l decrease in the price of petrol) (see table 6, p.18).

**The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan and other urban areas is 4,0% at December 2005 (i.e. the CPIX at December 2005 compared with that at December 2004)**

*The annual percentage change in the CPIX, which is the Consumer Price Index excluding interest rates on mortgage bonds, for the historical metropolitan and other urban areas is 4,0% at December 2005 (i.e. the CPIX at December 2005 compared with that at December 2004). This rate is 0,3 of a percentage point higher than the corresponding annual rate of 3,7% at November 2005 (see table 2.2, p.17). From November 2005 to December 2005 the CPIX for the historical metropolitan and other urban areas increased by 0,1%.*

The annual increase of 4,0% in the CPIX for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,1 percentage points), transport (+ 0,8 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), housing, excluding interest rates on mortgage bonds (+ 0,5 of a percentage point), education (+ 0,4 of a percentage point) and household operation (+ 0,3 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 9, p.19).

From November 2005 to December 2005 the CPIX for the historical metropolitan and other urban areas increased by 0,1%. This monthly increase is due to a monthly contribution in the price index for food (+ 0,3 of a percentage point). This monthly increase was slightly counteracted by a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a 30c/l decrease in the price of petrol) (see table 10, p.19).

#### **Core inflation rate**

*The core inflation rate for the historical metropolitan and other urban areas (see explanatory notes 33, 34 and 35 on page 36) is 3,6% at December 2005 (i.e. the core index at December 2005 compared with that at December 2004). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 3,8% at November 2005. From November 2005 to December 2005 the core index for the historical metropolitan and other urban areas index decreased by 0,3%.*

The annual increase of 3,6% in the core index for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for transport (+ 0,9 of a percentage point), medical care and health expenses (+ 0,7 of a percentage point), housing (+ 0,5 of a percentage point), household operation (+ 0,4 of a percentage point) and education (+ 0,4 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for clothing and footwear (- 0,1 of a percentage point) (see table 13, p.20).

From November 2005 to December 2005 the core index for the historical metropolitan and other urban areas decreased by 0,3%. This monthly decrease is due to a monthly contribution in the price index for transport (- 0,3 of a percentage point, mainly due to a 30c/l decrease in the price of petrol) (see table 14, p.20).

#### **Food inflation**

*The price index for food reflects an annual rate of increase of 4,0% at December 2005 (i.e. the CPI for food at December 2005 compared with that at December 2004). This rate is 2,0 percentage points higher than the corresponding annual rate of 2,0% at November 2005. From November 2005 to December 2005 this index increased by 1,4%.*

Annual increases occurred in the price indices for vegetables (+ 8,8%), fruit and nuts (+ 7,9%), fish and other seafood (+ 7,7%), meat (+ 6,9%), milk, cheese and eggs (+ 3,6%), coffee, tea and cocoa (+ 1,9%), sugar (+ 1,6%), grain products (+ 0,8%) and "other" food products (+ 0,8%). These annual increases were slightly counteracted by an annual decrease in the price index for fats and oils (- 2,2%) (see table 16, p.22).

Monthly increases occurred in the price indices for meat (+ 4,0%), fruit and nuts (+ 3,5%), fish and other seafood (+ 1,0%), sugar (+ 1,0%), grain products (+ 0,9%), vegetables (+ 0,3%), milk cheese and eggs (+ 0,2%) and coffee, tea and cocoa (+ 0,1%). These monthly increases were slightly counteracted by monthly decreases in the price indices for "other" food products (- 0,8%) and fats and oils (- 0,4%) (see table 16, p.22).

### **CPI excluding food**

*The price index for non-food items reflects an annual rate of change of 3,4% at December 2005 (i.e. the CPI excluding food index at December 2005 compared with that at December 2004). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 3,6% at November 2005. From November 2005 to December 2005 this index decreased by 0,3%.*

Annual increases occurred in the price indices for cigarettes, cigars and tobacco (+ 8,4%), education (+ 8,2%), medical care and health expenses (+ 7,2%), household operation (+ 6,5%), alcoholic beverages (+ 5,9%), transport (+ 5,3%), reading matter (+ 4,0%), non-alcoholic beverages (+ 3,6%), personal care (+ 3,2%), fuel and power (+ 3,1%) and housing (+ 1,1%). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 3,8%), recreation and entertainment (- 1,0%), furniture and equipment (- 0,8%), communication (- 0,2%) and "other" products (- 0,1%) (see table 16, p.22).

Monthly decreases occurred in the price indices for transport (- 1,8%, mainly due to a 30c/l decrease in the price of petrol), non-alcoholic beverages (- 0,3%), furniture and equipment (- 0,3%), medical care and health expenses (- 0,3%), alcoholic beverages (- 0,2%) and household operation (- 0,1%). These monthly decreases were slightly counteracted by monthly increases in the price indices for personal care (+ 0,4%) and housing (+ 0,1%) (see table 16, p.22).

### **An alternative expression of the change in the Consumer Price Index**

An alternative expression of the change in the Consumer Price Index is to annualise the percentage change between the average index of the three months up to December 2005 and the average index of the previous three months. This approach, when using the unadjusted data shows an increase of 1,8% (which is 1,9 percentage points lower than the corresponding rate of 3,7% for November 2005).

### **Area indices**

The other urban areas in Mpumalanga recorded the highest annual inflation rate of 5,0%, while the lowest annual inflation rate of 2,2% was recorded for the other urban areas of Eastern Cape (see table 21, p.27).

Regarding food prices, the highest annual inflation rate of 6,4% was recorded for the North West Province, while the other urban areas of Eastern Cape recorded the lowest annual rate of change of 1,2% (see table 22, p.28).

### **Pensioners**

The East London area recorded the highest annual rate of increase of 6,0%, while the lowest annual rate of change of 2,5% was recorded for the other urban areas of Eastern Cape (see table 25, p.31).

**NOTES**

<b>Forthcoming issues</b>	<b>Issue</b>	<b>Expected date for publication</b>
	January 2006	22 February 2006
	February 2006	29 March 2006
	March 2006	25 April 2006
	April 2006	24 May 2006
	May 2005	28 June 2006
	June 2006	26 July 2006

**Purpose of the survey** The Survey of Consumer Prices is a monthly survey covering a sample of retailers operating in the South African economy. The results of the survey are used to compile the Consumer Price Index (CPI), an economic indicator, which indicates the changes in the prices of consumer goods and services. The annual percentage change in the Consumer Price Index indicates the inflation rate. These statistics are used by the private sector in the analysis of comparative business performance, as well as for contract price adjustments. It is also used in the determination of economic and social policy.

**Rebasing the CPI from 1995=100 to 2000=100** Following international practice, the base year of the Consumer Price Index (CPI) has been changed from 1995=100 to 2000=100 with effect from February 2001.

**Updating the CPI basket** The weighting system for the CPI is calculated, as from January 2002, from the Survey of Income and Expenditure of Households, which was conducted in October 2000. For more information on the detailed weights, see statistical releases P0141.5.

**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, and the CPI excluding interest rates on mortgage bonds (CPIX). Stats SA has accordingly calculated these measures and the CPIX, is included in this release (see table 2.2, p.15).

Stats SA releases detailed figures on the CPIX (see tables 17 and 18 on pages 23 and 24). The detailed figures were introduced and published as from February 2000.

**Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF)** South Africa's data dissemination practices are assessed against the IMF's Special Data Dissemination Standard (SDDS). A detailed description of the SDDS can be found on the IMF's Dissemination Standards Bulletin Board on the internet at <http://dsbb.imf.org>. This is a "best practice" standard. It covers four sectors of the economy i.e. the real, fiscal, financial and external sectors, as well as population and identifies four dimensions i.e. data, access, integrity and quality, of data dissemination. For each of these dimensions, the SDDS prescribes two to four monitorable elements or good practices that can be observed, or monitored, by users of statistics. However, the IMF's monitoring of the SDDS as authorised by the IMF's Board of Executive Directors is limited to the dimensions of data i.e. coverage, periodicity and timeliness, and access i.e. advanced release calendar. It should also be noted that the SDDS is a disclosure standard, i.e. it focuses on encouraging the authorities to provide information to users, including information that will enable users to assess the data.

The four institutions responsible for the compilation and dissemination of the SDDS prescribed data categories are National Treasury, the South African Revenue Services (SARS), the South African Reserve Bank (SARB) and Statistics South Africa (Stats SA).

National Treasury is responsible for compiling and disseminating data on the national budget (budgetary central government operations). SARS is responsible for compiling and disseminating of data on international merchandise trade.

The SARB is responsible for compiling and disseminating analytical accounts of the banking sector, the analytical accounts of the central bank, central government debt, interest rate, exchange rates, share price indices, balance of payments, the international investment position, international reserves and foreign currency liquidity.

Stats SA is responsible for compiling and disseminating data on the production index, national accounts, government accounts, industry based statistics, social statistics, the production price index, consumer price index, labour market and population statistics.

South Africa has subscribed to the SDDS since 2 August 1996 and started posting its metadata on 27 September 1996. South Africa met the SDDS specifications for the coverage, periodicity and timeliness of the data, and for the dissemination of advanced release calendars on 18 September 2000. The National Summary Data Page has been hyperlinked since 24 April 1997 and the Data Template on International Reserves and Foreign Currency Liquidity was disseminated on 1 September 2000.

South Africa is the only subscriber to the SDDS from the African continent.

**Reports on  
Observance of  
Standards and  
Codes (ROSC) of  
the International  
Monetary Fund  
(IMF)**

The IMF has been working actively on producing Reports on Observance of Standards and Codes (ROSC) as a step to strengthen the architecture of the international financial system. The objectives of the ROSC include the promotion of increased transparency and encouragement of implementation of internationally accepted standards and codes. One of the ROSC components is the data dissemination module, which falls under the responsibility of the IMF's Statistics Department (STA). In this module, a country is assessed according to the SDDS.

The data dissemination module of the ROSC provides a summary of South Africa's practices on the coverage, periodicity and timeliness of the data categories specified in the IMF's SDDS, and on the practices on the provision of advance release calendars for these categories. It is complemented by an assessment of the quality of the Consumer Price Index, using the Data Quality Assessment Framework (DQAF) developed by the IMF's Statistics Department.

The DQAF undertakes to assess data quality under the following dimensions –

- Prerequisites of quality;
- Integrity;
- Methodological soundness;
- Accuracy and reliability;
- Serviceability; and
- Accessibility

An IMF delegation visited South Africa from 7 to 18 May 2001 and produced a data ROSC for South Africa. This ROSC indicates to which extent South Africa has observed the IMF's requirements and is available at <http://www.imf.org/external/np/rosc/rosc.asp>



Table 1 - Expenditure group and area indices of the Consumer Price Index and percentage change

Expenditure group/Area indices	Indices (2000=100)			Percentage change between	
	Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
				Actual %	Actual %
Expenditure group indices					
Very low expenditure	132,0	135,6	137,0	+1,0	+3,8
Low expenditure	132,6	135,9	137,0	+0,8	+3,3
Middle expenditure	129,4	132,8	133,7	+0,7	+3,3
High expenditure	130,3	134,6	135,1	+0,4	+3,7
Very high expenditure	123,0	127,6	127,4	-0,2	+3,6
All expenditure groups - Historical metropolitan areas	125,0	129,5	129,5	0,0 <sup>1)</sup>	+3,6 <sup>1)</sup>
Historical metropolitan and other urban areas	125,6	129,9	130,0	+0,1	+3,5
CPI excluding interest rates on mortgage bonds (CPIX) - Historical metropolitan areas	131,7	137,2	137,2	0,0	+4,2
Historical metropolitan and other urban areas	131,4	136,6	136,7	+0,1	+4,0
Core index - Historical metropolitan areas	131,2	136,6	136,0	-0,4	+3,7
Historical metropolitan and other urban areas	130,7	135,8	135,4	-0,3	+3,6
Food only index - Historical metropolitan areas	135,7	139,7	141,6	+1,4	+4,3
Historical metropolitan and other urban areas	136,5	140,0	142,0	+1,4	+4,0
CPI excluding food - Historical metropolitan areas	122,6	127,2	126,6	-0,5	+3,3
Historical metropolitan and other urban areas	122,7	127,3	126,9	-0,3	+3,4
CPI for administered prices - Historical metropolitan areas	133,2	145,8	143,6	-1,5	+7,8
Historical metropolitan and other urban areas	132,2	143,4	141,5	-1,3	+7,0
CPI for regulated prices - Historical metropolitan areas	125,8	139,7	136,3	-2,4	+8,3
Historical metropolitan and other urban areas	125,9	137,7	135,0	-2,0	+7,2
CPI for administered prices that are not regulated - Historical metropolitan areas	150,8	160,4	160,8	+0,2	+6,6
Historical metropolitan and other urban areas	147,7	157,1	157,5	+0,3	+6,6
CPIX for administered prices - Historical metropolitan areas	133,1	145,7	143,4	-1,6	+7,7
Historical metropolitan and other urban areas	132,2	143,3	141,5	-1,3	+7,0
CPIX for regulated prices - Historical metropolitan areas	125,7	139,5	136,2	-2,4	+8,4
Historical metropolitan and other urban areas	125,7	137,6	134,9	-2,0	+7,3
CPIX for administered prices that are not regulated - Historical metropolitan areas	150,8	160,4	160,8	+0,2	+6,6
Historical metropolitan and other urban areas	147,5	156,8	157,2	+0,3	+6,6
CPI excluding VAT - Historical metropolitan areas	125,0	129,5	129,5	0,0 <sup>1)</sup>	+3,6 <sup>1)</sup>
Historical metropolitan and other urban areas	125,6	129,9	130,0	+0,1	+3,5

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

**Table 2.1 - The Consumer Price Index and the annual inflation rate on a monthly basis for the historical metropolitan areas**

Base year: 2000=100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2003	Index % 1)	121,6 +11,6	121,5 +10,3	122,7 +10,2	123,1 +8,8	122,8 +7,8	122,4 +6,7	122,4 +5,2	122,9 +5,1	122,5 +3,7	121,7 +1,5	120,8 +0,4	120,9 +0,3	122,1 +5,8 2)
2004	Index % 1)	121,8 +0,2	122,4 +0,7	123,2 +0,4	123,4 +0,2	123,5 +0,6	123,9 +1,2	124,3 +1,6	124,1 +1,0	124,1 +1,3	124,6 +2,4	125,3 +3,7	125,0 +3,4	123,8 +1,4 2)
2005	Index % 1)	125,4 +3,0	125,6 +2,6	126,9 +3,0	127,6 +3,4	127,6 +3,3	127,4 +2,8	128,5 +3,4	129,0 +3,9	129,5 +4,4	129,6 +4,0	129,5 +3,4	129,5 +3,6	128,0 +3,4 2)

**Table 2.2 - The Consumer Price Index excluding interest rates on mortgage bonds (CPIX) and the annual inflation rate on a monthly basis for the historical metropolitan and other urban areas**

Base year: 2000=100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2003	Index % 1)	122,3 +10,0	122,2 +9,3	123,5 +9,3	123,9 +8,5	123,9 +7,7	123,5 +6,4	124,8 +6,6	125,3 +6,3	125,6 +5,4	125,6 +4,4	125,9 +4,1	126,0 +4,0	124,4 +6,8 2)
2004	Index % 1)	127,4 +4,2	128,1 +4,8	128,9 +4,4	129,3 +4,4	129,4 +4,4	129,7 +5,0	130,1 +4,2	129,9 +3,7	130,3 +3,7	130,9 +4,2	131,7 +4,6	131,4 +4,3	129,8 +4,3 2)
2005	Index % 1)	132,0 +3,6	132,1 +3,1	133,5 +3,6	134,2 +3,8	134,5 +3,9	134,2 +3,5	135,6 +4,2	136,1 +4,8	136,4 +4,7	136,7 +4,4	136,6 +3,7	136,7 +4,0	134,9 +3,9 2)

**Table 2.3 - Food Index and the annual inflation rate on a monthly basis for the historical metropolitan areas**

Base year: 2000=100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2003	Index % 1)	131,8 +15,5	131,0 +14,2	131,0 +12,4	131,3 +11,1	131,9 +11,0	131,0 +8,6	131,1 +7,3	131,8 +6,2	131,7 +4,2	132,5 +2,8	133,9 +3,2	133,7 +2,6	131,9 +8,1 2)
2004	Index % 1)	135,4 +2,7	135,3 +3,3	135,1 +3,1	134,9 +2,7	134,9 +2,3	134,5 +2,7	133,7 +2,0	133,9 +1,6	133,8 +1,6	135,0 +1,9	136,4 +1,9	135,7 +1,5	134,9 +2,3 2)
2005	Index % 1)	137,1 +1,3	137,2 +1,4	137,1 +1,5	137,0 +1,6	136,8 +1,4	136,3 +1,3	137,4 +2,8	137,4 +2,6	138,4 +3,4	138,5 +2,6	139,7 +2,4	141,6 +4,3	137,9 +2,2 2)

1) % = annual inflation rate  
2) Average annual inflation rate

Table 3 - Contributions of different groups to the annual percentage change in the CPI for the historical metropolitan areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,5	1,0
Non-alcoholic beverages	0,1	0,0
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing	0,3	0,2
Fuel and power	0,1	0,1
Household operation	0,4	0,4
Medical care and health expenses	0,6	0,6
Transport	0,9	0,8
Education	0,3	0,3
Personal care	0,1	0,1
<b>All groups</b>	<b>3,4</b>	<b>3,6</b>

Table 4 - Contributions of different groups to the monthly percentage change in the CPI for the historical metropolitan areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,2	0,3
Transport	-0,3	-0,3
<b>All groups</b>	<b>-0,1</b>	<b>0,0</b>

Table 5 - Contributions of different groups to the annual percentage change in the CPI for the historical metropolitan and other urban areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,5	1,0
Non-alcoholic beverages	0,1	0,0
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing	0,2	0,2
Fuel and power	0,1	0,1
Household operation	0,4	0,4
Medical care and health expenses	0,6	0,6
Transport	0,8	0,7
Education	0,3	0,3
Personal care	0,1	0,1
<b>All groups</b>	<b>3,2</b>	<b>3,5</b>

Table 6 - Contributions of different groups to the monthly percentage change in the CPI for the historical metropolitan and other urban areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,2	0,3
Transport	-0,3	-0,2
<b>All groups</b>	<b>-0,1</b>	<b>0,1</b>

Table 7 - Contributions of different groups to the annual percentage change in the CPIX for the historical metropolitan areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,5	1,1
Non-alcoholic beverages	0,1	0,0
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing (excl. interest rates on mortgage bonds)	0,6	0,6
Fuel and power	0,1	0,1
Household operation	0,4	0,3
Medical care and health expenses	0,6	0,6
Transport	1,0	0,9
Education	0,4	0,4
Personal care	0,1	0,1
<b>All groups</b>	<b>3,9</b>	<b>4,2</b>

Table 8 - Contributions of different groups to the monthly percentage change in the CPIX for the historical metropolitan areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,2	0,3
Transport	-0,3	-0,3
<b>All groups</b>	<b>-0,1</b>	<b>0,0</b>

Table 9 - Contributions of different groups to the annual percentage change in the CPIX for the historical metropolitan and other urban areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,5	1,1
Non-alcoholic beverages	0,1	0,0
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing (excl. interest rates on mortgage bonds)	0,5	0,5
Fuel and power	0,1	0,1
Household operation	0,4	0,3
Medical care and health expenses	0,6	0,6
Transport	0,9	0,8
Education	0,4	0,4
Personal care	0,1	0,1
<b>All groups</b>	<b>3,7</b>	<b>4,0</b>

Table 10 - Contributions of different groups to the monthly percentage change in the CPIX for the historical metropolitan and other urban areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,2	0,3
Transport	-0,3	-0,2
<b>All groups</b>	<b>-0,1</b>	<b>0,1</b>

Table 11 - Contributions of different groups to the annual percentage change in the Core index for the historical metropolitan areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,1	0,2
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing	0,6	0,5
Fuel and power	0,1	0,1
Household operation	0,4	0,4
Medical care and health expenses	0,7	0,7
Transport	1,4	1,1
Education	0,4	0,4
Personal care	0,1	0,1
<b>All groups</b>	<b>4,0</b>	<b>3,7</b>

Table 12 - Contributions of different groups to the monthly percentage change in the Core index for the historical metropolitan areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,1	0,0
Transport	-0,4	-0,4
<b>All groups</b>	<b>-0,3</b>	<b>-0,4</b>

Table 13 - Contributions of different groups to the annual percentage change in the Core index for the historical metropolitan and other urban areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,1	0,2
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing	0,5	0,5
Fuel and power	0,1	0,1
Household operation	0,5	0,4
Medical care and health expenses	0,7	0,7
Transport	1,1	0,9
Education	0,4	0,4
Personal care	0,2	0,2
<b>All groups</b>	<b>3,8</b>	<b>3,6</b>

Table 14 - Contributions of different groups to the monthly percentage change in the Core index for the historical metropolitan and other urban areas

Group	Contribution at November 2005	Contribution at December 2005
Food	0,1	0,0
Transport	-0,3	-0,3
<b>All groups</b>	<b>-0,2</b>	<b>-0,3</b>

Table 15 - Consumer Price Index group and product indices and percentage change for the historical metropolitan areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
CPI: All items	100,00	125,0	129,5	129,5	0,0	+3,6
Expenditure groups - Very low	0,91	132,0	135,6	137,0	+1,0	+3,8
Low	1,76	132,6	135,9	137,0	+0,8	+3,3
Middle	6,36	129,4	132,8	133,7	+0,7	+3,3
High	14,57	130,3	134,6	135,1	+0,4	+3,7
Very high	76,40	123,0	127,6	127,4	-0,2	+3,6
Commodities	57,14	128,0	133,1	133,0	-0,1	+3,9
Services	42,86	121,1	125,0	124,9	-0,1	+3,1
CPI: All items, excluding housing	77,86	128,4	133,9	133,9	0,0	+4,3
CPI: All items, excluding food	79,01	122,6	127,2	126,6	-0,5	+3,3
Food	20,99	135,7	139,7	141,6	+1,4	+4,3
Expenditure groups - Very low	51,39	134,1	137,8	140,3	+1,8	+4,6
Low	49,01	136,1	140,1	142,3	+1,6	+4,6
Middle	43,39	136,2	140,5	142,7	+1,6	+4,8
High	33,07	136,2	140,3	142,3	+1,4	+4,5
Very high	15,82	135,6	139,6	141,3	+1,2	+4,2
Processed	11,91	136,2	139,7	139,8	+0,1	+2,6
Unprocessed	9,08	134,8	139,7	143,9	+3,0	+6,8
Grain products	3,81	131,6	131,3	132,1	+0,6	+0,4
Meat	5,66	139,9	145,2	150,8	+3,9	+7,8
Fish and other seafood	0,69	130,0	139,5	141,4	+1,4	+8,8
Milk, cheese and eggs	1,96	147,0	152,8	152,9	+0,1	+4,0
Fats and oils	0,76	135,8	133,6	132,9	-0,5	-2,1
Fruit and nuts	1,09	128,0	134,2	138,6	+3,3	+8,3
Vegetables	2,00	125,0	136,1	136,5	+0,3	+9,2
Sugar	0,50	129,4	130,3	132,6	+1,8	+2,5
Coffee, tea and cocoa	1,07	121,8	124,5	124,2	-0,2	+2,0
Other	3,45	140,0	142,4	141,6	-0,6	+1,1
Non-alcoholic beverages	1,10	139,9	145,1	144,4	-0,5	+3,2
Alcoholic beverages	1,40	146,1	154,3	153,9	-0,3	+5,3
Cigarettes, cigars and tobacco	1,14	154,4	166,8	166,7	-0,1	+8,0
Clothing and footwear	3,25	95,0	90,8	90,8	0,0	-4,4
Clothing	2,04	96,7	94,3	94,3	0,0	-2,5
Footwear	1,21	91,5	84,1	84,3	+0,2	-7,9
Housing	22,14	112,9	114,0	114,1	+0,1	+1,1
Fuel and power	3,49	131,6	136,3	136,2	-0,1	+3,5
Furniture and equipment	2,53	117,2	116,0	115,5	-0,4	-1,5
Furniture	0,95	124,0	124,3	123,8	-0,4	-0,2
Appliances	0,80	117,8	115,2	114,1	-1,0	-3,1
Other household equipment and textiles	0,78	108,2	106,6	106,7	+0,1	-1,4
Household operation	4,82	133,1	141,8	141,5	-0,2	+6,3
Household consumables	1,25	130,1	133,4	133,4	0,0	+2,5
Domestic workers	3,48	134,6	145,5	145,0	-0,3	+7,7
Other household services	0,09	114,4	116,8	116,9	+0,1	+2,2
Medical care and health expenses	7,15	150,5	161,5	161,0	-0,3	+7,0
Transport	14,84	125,1	134,8	132,2	-1,9	+5,7
Vehicles	5,95	117,1	116,1	116,0	-0,1	-0,9
Running cost	7,05	136,6	158,0	152,3	-3,6	+11,5
Petrol	1/	138,1	169,6	160,7	-5,2	+16,4
Public and hired transport	1,84	111,3	110,5	111,6	+1,0	+0,3
Communication	2,98	125,5	125,1	125,1	0,0	-0,3
Recreation and entertainment	3,31	97,5	96,7	96,5	-0,2	-1,0
Reading matter	0,39	130,2	135,8	135,8	0,0	+4,3
Education	3,48	145,5	158,1	158,1	0,0	+8,7
Personal care	3,67	127,8	130,7	131,1	+0,3	+2,6
Other	3,32	102,7	102,5	102,5	0,0	-0,2

1/ The weight of petrol is included in that of running cost

Table 16 - Consumer Price Index group and product indices and percentage change for the historical metropolitan and other urban areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
CPI: All items	100,00	125,6	129,9	130,0	+0,1	+3,5
Expenditure groups - Very low	1,39	132,7	136,3	137,7	+1,0	+3,8
Low	2,26	131,9	135,2	136,4	+0,9	+3,4
Middle	8,11	131,2	134,6	135,6	+0,7	+3,4
High	16,96	130,0	133,9	134,5	+0,4	+3,5
Very high	71,28	123,5	128,0	127,8	-0,2	+3,5
Commodities	59,42	128,8	133,5	133,6	+0,1	+3,7
Services	40,58	121,3	125,2	125,2	0,0	+3,2
CPI: All items, excluding housing	79,30	128,7	133,9	134,0	+0,1	+4,1
CPI: All items, excluding food	76,98	122,7	127,3	126,9	-0,3	+3,4
Food	23,02	136,5	140,0	142,0	+1,4	+4,0
Expenditure groups - Very low	51,24	133,7	136,4	138,9	+1,8	+3,9
Low	49,72	135,3	138,6	140,8	+1,6	+4,1
Middle	43,93	136,6	140,1	142,2	+1,5	+4,1
High	33,68	137,1	140,7	142,7	+1,4	+4,1
Very high	16,69	136,8	140,3	142,1	+1,3	+3,9
Processed	12,81	137,1	139,9	140,1	+0,1	+2,2
Unprocessed	10,21	135,8	140,2	144,3	+2,9	+6,3
Grain products	4,34	130,9	130,8	132,0	+0,9	+0,8
Meat	6,23	142,1	146,1	151,9	+4,0	+6,9
Fish and other seafood	0,70	133,8	142,7	144,1	+1,0	+7,7
Milk, cheese and eggs	2,10	147,6	152,6	152,9	+0,2	+3,6
Fats and oils	0,84	136,5	134,0	133,5	-0,4	-2,2
Fruit and nuts	1,13	133,6	139,2	144,1	+3,5	+7,9
Vegetables	2,18	123,1	133,5	133,9	+0,3	+8,8
Sugar	0,62	132,4	133,2	134,5	+1,0	+1,6
Coffee, tea and cocoa	1,14	121,4	123,6	123,7	+0,1	+1,9
Other	3,74	142,1	144,4	143,3	-0,8	+0,8
Non-alcoholic beverages	1,13	137,8	143,2	142,7	-0,3	+3,6
Alcoholic beverages	1,52	144,8	153,7	153,4	-0,2	+5,9
Cigarettes, cigars and tobacco	1,21	157,9	171,2	171,2	0,0	+8,4
Clothing and footwear	3,64	94,3	90,7	90,7	0,0	-3,8
Clothing	2,27	96,1	93,9	93,8	-0,1	-2,4
Footwear	1,37	91,0	85,1	85,3	+0,2	-6,3
Housing	20,70	113,7	114,9	115,0	+0,1	+1,1
Fuel and power	3,84	131,9	136,0	136,0	0,0	+3,1
Furniture and equipment	2,82	116,1	115,5	115,2	-0,3	-0,8
Furniture	1,08	122,9	123,8	123,5	-0,2	+0,5
Appliances	0,84	117,3	114,7	113,9	-0,7	-2,9
Other household equipment and textiles	0,90	106,5	105,8	106,0	+0,2	-0,5
Household operation	4,68	134,4	143,2	143,1	-0,1	+6,5
Household consumables	1,34	133,7	137,1	137,2	+0,1	+2,6
Domestic workers	3,22	135,4	146,6	146,4	-0,1	+8,1
Other household services	0,12	115,1	117,6	117,7	+0,1	+2,3
Medical care and health expenses	6,90	150,5	161,8	161,3	-0,3	+7,2
Transport	13,72	123,7	132,7	130,3	-1,8	+5,3
Vehicles	5,11	116,0	115,3	115,1	-0,2	-0,8
Running cost	6,56	134,8	154,5	149,3	-3,4	+10,8
Petrol	1/	133,5	161,2	153,4	-4,8	+14,9
Public and hired transport	2,05	109,2	108,3	109,4	+1,0	+0,2
Communication	2,86	125,6	125,3	125,3	0,0	-0,2
Recreation and entertainment	3,04	96,9	95,9	95,9	0,0	-1,0
Reading matter	0,36	128,8	134,0	134,0	0,0	+4,0
Education	3,38	144,4	156,2	156,2	0,0	+8,2
Personal care	3,92	131,0	134,6	135,2	+0,4	+3,2
Other	3,26	102,5	102,4	102,4	0,0	-0,1

1/ The weight of petrol is included in that of running cost

Table 17 - Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the historical metropolitan areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
CPIX: All items	100,00	131,7	137,2	137,2	0,0	+4,2
Expenditure groups - Very low	0,91	132,6	136,3	137,7	+1,0	+3,8
Low	1,76	133,3	136,8	138,0	+0,9	+3,5
Middle	6,36	133,6	137,2	138,2	+0,7	+3,4
High	14,57	134,1	138,9	139,4	+0,4	+4,0
Very high	76,40	131,1	137,0	136,7	-0,2	+4,3
Commodities	64,50	128,0	133,1	133,0	-0,1	+3,9
Services	35,50	138,1	144,6	144,6	0,0	+4,7
CPIX: All items, excluding housing	87,90	129,0	134,6	134,5	-0,1	+4,3
CPIX: All items, excluding food	76,29	130,9	136,9	136,3	-0,4	+4,1
Food	23,71	135,7	139,8	141,7	+1,4	+4,4
Expenditure groups - Very low	51,39	134,2	137,8	140,4	+1,9	+4,6
Low	49,01	136,0	140,0	142,2	+1,6	+4,6
Middle	43,39	136,3	140,6	142,8	+1,6	+4,8
High	33,07	136,0	140,2	142,1	+1,4	+4,5
Very high	15,82	135,6	139,7	141,4	+1,2	+4,3
Processed	13,45	136,2	139,7	139,8	+0,1	+2,6
Unprocessed	10,26	134,8	139,7	143,9	+3,0	+6,8
Grain products	4,31	131,6	131,2	132,1	+0,7	+0,4
Meat	6,40	139,9	145,2	150,8	+3,9	+7,8
Fish and other seafood	0,76	130,0	139,6	141,4	+1,3	+8,8
Milk, cheese and eggs	2,21	147,1	152,9	153,0	+0,1	+4,0
Fats and oils	0,86	135,9	133,7	133,0	-0,5	-2,1
Fruit and nuts	1,23	128,0	134,2	138,6	+3,3	+8,3
Vegetables	2,26	125,0	136,1	136,5	+0,3	+9,2
Sugar	0,57	129,4	130,3	132,6	+1,8	+2,5
Coffee, tea and cocoa	1,21	121,8	124,5	124,2	-0,2	+2,0
Other	3,90	140,0	142,4	141,6	-0,6	+1,1
Non-alcoholic beverages	1,24	139,9	145,1	144,4	-0,5	+3,2
Alcoholic beverages	1,58	146,1	154,3	153,9	-0,3	+5,3
Cigarettes, cigars and tobacco	1,29	154,4	166,8	166,7	-0,1	+8,0
Clothing and footwear	3,67	94,9	90,7	90,7	0,0	-4,4
Clothing	2,31	96,8	94,4	94,4	0,0	-2,5
Footwear	1,36	91,5	84,1	84,3	+0,2	-7,9
Housing	12,10	150,4	156,1	156,2	+0,1	+3,9
Fuel and power	3,94	131,6	136,3	136,2	-0,1	+3,5
Furniture and equipment	2,86	117,2	116,0	115,5	-0,4	-1,5
Furniture	1,08	124,1	124,3	123,8	-0,4	-0,2
Appliances	0,90	117,8	115,2	114,1	-1,0	-3,1
Other household equipment and textiles	0,88	108,2	106,6	106,7	+0,1	-1,4
Household operation	5,45	133,2	142,0	141,6	-0,3	+6,3
Household consumables	1,42	130,0	133,3	133,3	0,0	+2,5
Domestic workers	3,93	134,6	145,5	145,0	-0,3	+7,7
Other household services	0,10	114,3	116,7	116,8	+0,1	+2,2
Medical care and health expenses	8,07	150,5	161,5	161,0	-0,3	+7,0
Transport	16,75	125,1	134,8	132,2	-1,9	+5,7
Vehicles	6,72	117,2	116,2	116,2	0,0	-0,9
Running cost	7,96	136,6	158,0	152,3	-3,6	+11,5
Public and hired transport	2,07	111,4	110,5	111,6	+1,0	+0,2
Communication	3,36	125,6	125,1	125,1	0,0	-0,4
Recreation and entertainment	3,73	97,5	96,7	96,5	-0,2	-1,0
Reading matter	0,43	130,2	135,8	135,8	0,0	+4,3
Education	3,93	145,6	158,1	158,1	0,0	+8,6
Personal care	4,14	127,8	130,7	131,1	+0,3	+2,6
Other	3,75	102,6	102,4	102,4	0,0	-0,2



Table 18 - Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the historical metropolitan and other urban areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
CPIX: All items	100,00	131,4	136,6	136,7	+0,1	+4,0
Expenditure groups - Very low	1,39	133,4	137,0	138,5	+1,1	+3,8
Low	2,26	132,9	136,3	137,5	+0,9	+3,5
Middle	8,11	132,5	136,1	137,1	+0,7	+3,5
High	16,96	132,8	137,1	137,7	+0,4	+3,7
Very high	71,28	130,8	136,5	136,3	-0,1	+4,2
Commodities	66,24	128,6	133,3	133,4	+0,1	+3,7
Services	33,76	136,7	143,1	143,1	0,0	+4,7
CPIX: All items, excluding housing	88,43	129,0	134,2	134,3	+0,1	+4,1
CPIX: All items, excluding food	74,34	129,7	135,5	135,0	-0,4	+4,1
Food	25,66	136,6	140,1	142,0	+1,4	+4,0
Expenditure groups - Very low	51,24	133,7	136,4	138,9	+1,8	+3,9
Low	49,72	135,4	138,7	140,9	+1,6	+4,1
Middle	43,93	136,5	140,0	142,2	+1,6	+4,2
High	33,68	137,2	140,8	142,8	+1,4	+4,1
Very high	16,69	136,7	140,2	142,1	+1,4	+4,0
Processed	14,26	137,1	139,9	140,1	+0,1	+2,2
Unprocessed	11,40	135,8	140,2	144,3	+2,9	+6,3
Grain products	4,84	130,9	130,8	132,0	+0,9	+0,8
Meat	6,95	142,1	146,2	151,9	+3,9	+6,9
Fish and other seafood	0,78	133,8	142,7	144,1	+1,0	+7,7
Milk, cheese and eggs	2,34	147,6	152,6	152,9	+0,2	+3,6
Fats and oils	0,93	136,6	134,0	133,5	-0,4	-2,3
Fruit and nuts	1,26	133,5	139,1	144,0	+3,5	+7,9
Vegetables	2,43	124,3	134,8	135,2	+0,3	+8,8
Sugar	0,69	132,4	133,2	134,5	+1,0	+1,6
Coffee, tea and cocoa	1,27	121,4	123,6	123,7	+0,1	+1,9
Other	4,17	142,1	144,4	143,3	-0,8	+0,8
Non-alcoholic beverages	1,26	137,8	143,2	142,7	-0,3	+3,6
Alcoholic beverages	1,70	144,8	153,7	153,4	-0,2	+5,9
Cigarettes, cigars and tobacco	1,35	158,0	171,2	171,2	0,0	+8,4
Clothing and footwear	4,06	94,3	90,7	90,7	0,0	-3,8
Clothing	2,53	96,1	93,9	93,8	-0,1	-2,4
Footwear	1,53	91,0	85,1	85,3	+0,2	-6,3
Housing	11,57	148,9	154,5	154,7	+0,1	+3,9
Fuel and power	4,28	131,9	136,0	136,0	0,0	+3,1
Furniture and equipment	3,15	116,1	115,5	115,2	-0,3	-0,8
Furniture	1,21	122,9	123,8	123,5	-0,2	+0,5
Appliances	0,94	117,3	114,7	113,9	-0,7	-2,9
Other household equipment and textiles	1,00	106,5	105,8	106,0	+0,2	-0,5
Household operation	5,22	134,4	143,2	143,1	-0,1	+6,5
Household consumables	1,50	133,7	137,1	137,3	+0,1	+2,7
Domestic workers	3,59	135,4	146,6	146,4	-0,1	+8,1
Other household services	0,13	115,1	117,6	117,8	+0,2	+2,3
Medical care and health expenses	7,70	150,5	161,8	161,3	-0,3	+7,2
Transport	15,30	123,8	132,7	130,4	-1,7	+5,3
Vehicles	5,69	116,1	115,3	115,2	-0,1	-0,8
Running cost	7,32	134,8	154,5	149,3	-3,4	+10,8
Public and hired transport	2,29	109,2	108,3	109,4	+1,0	+0,2
Communication	3,19	125,5	125,2	125,2	0,0	-0,2
Recreation and entertainment	3,39	96,9	95,9	95,9	0,0	-1,0
Reading matter	0,40	128,7	133,9	133,9	0,0	+4,0
Education	3,77	144,4	156,1	156,1	0,0	+8,1
Personal care	4,37	131,0	134,7	135,2	+0,4	+3,2
Other	3,63	102,5	102,4	102,4	0,0	-0,1

Table 19 - Consumer Price Index group and product indices classified according to COICOP<sup>1)</sup> and percentage change for the historical metropolitan areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
CPI: All items	100,00	125,0	129,5	129,5	0,0	+3,6
Expenditure groups - Very low	0,91	132,0	135,6	137,0	+1,0	+3,8
Low	1,76	132,6	135,9	137,0	+0,8	+3,3
Middle	6,36	129,4	132,8	133,7	+0,7	+3,3
High	14,57	130,3	134,6	135,1	+0,4	+3,7
Very high	76,40	123,0	127,6	127,4	-0,2	+3,6
Commodities	57,14	128,0	133,1	133,0	-0,1	+3,9
Services	42,86	121,1	125,0	124,9	-0,1	+3,1
CPI: All items, excluding housing	77,86	128,4	133,9	133,9	0,0	+4,3
CPI: All items, excluding food	80,08	122,6	127,2	126,6	-0,5	+3,3
Food, beverages and tobacco	24,63	137,8	142,5	144,1	+1,1	+4,6
Food excluding coffee, tea and cocoa	19,92	136,1	140,3	142,3	+1,4	+4,6
Grain products	3,81	131,6	131,3	132,1	+0,6	+0,4
Meat	5,66	139,9	145,2	150,8	+3,9	+7,8
Fish and other seafood	0,69	130,0	139,5	141,4	+1,4	+8,8
Milk, cheese and eggs	1,96	147,0	152,8	152,9	+0,1	+4,0
Fats and oils	0,76	135,8	133,6	132,9	-0,5	-2,1
Fruit and nuts	1,09	128,0	134,2	138,6	+3,3	+8,3
Vegetables	2,00	125,0	136,1	136,5	+0,3	+9,2
Sugar	0,50	129,4	130,3	132,6	+1,8	+2,5
Other	3,45	140,0	142,4	141,6	-0,6	+1,1
Beverages	3,57	137,2	142,8	142,4	-0,3	+3,8
Coffee, tea and cocoa	1,07	121,8	124,5	124,2	-0,2	+2,0
Non-alcoholic beverages	1,10	139,9	145,1	144,4	-0,5	+3,2
Alcoholic beverages	1,40	146,1	154,3	153,9	-0,3	+5,3
Tobacco	1,14	154,4	166,8	166,7	-0,1	+8,0
Clothing and footwear	3,25	95,0	90,8	90,8	0,0	-4,4
Clothing	2,04	96,7	94,3	94,3	0,0	-2,5
Footwear	1,21	91,5	84,1	84,3	+0,2	-7,9
Housing, water, electricity, gas and other fuels	25,63	115,5	117,1	117,1	0,0	+1,4
Housing	22,14	112,9	114,0	114,1	+0,1	+1,1
Fuel and power	3,49	131,6	136,3	136,2	-0,1	+3,5
Furnishings, household equipment and routine maintenance of the house	7,35	128,1	133,4	133,0	-0,3	+3,8
Furniture and equipment	2,53	117,2	116,0	115,5	-0,4	-1,5
Furniture	0,95	124,0	124,3	123,8	-0,4	-0,2
Appliances	0,80	117,8	115,2	114,1	-1,0	-3,1
Other household equipment and textiles	0,78	108,2	106,6	106,7	+0,1	-1,4
Household operation	4,82	133,1	141,8	141,5	-0,2	+6,3
Household consumables	1,25	130,1	133,4	133,4	0,0	+2,5
Domestic workers	3,48	134,6	145,5	145,0	-0,3	+7,7
Other household services	0,09	114,4	116,8	116,9	+0,1	+2,2
Health (Medical care and health expenses)	7,15	150,5	161,5	161,0	-0,3	+7,0
Transport	14,84	125,1	134,8	132,2	-1,9	+5,7
Vehicles	5,95	117,1	116,1	116,0	-0,1	-0,9
Running cost	7,05	136,6	158,0	152,3	-3,6	+11,5
Petrol		138,1	169,6	160,7	-5,2	+16,4
Public and hired transport	1,84	111,3	110,5	111,6	+1,0	+0,3
Leisure, entertainment and culture	3,70	103,9	103,8	103,6	-0,2	-0,3
Recreation and entertainment	3,31	97,5	96,7	96,5	-0,2	-1,0
Reading matter	0,39	130,2	135,8	135,8	0,0	+4,3
Education	3,48	145,5	158,1	158,1	0,0	+8,7
Miscellaneous goods and services	9,97	115,4	116,2	116,4	+0,2	+0,9
Communication	2,98	125,5	125,1	125,1	0,0	-0,3
Personal care	3,67	127,8	130,7	131,1	+0,3	+2,6
Other	3,32	102,7	102,5	102,5	0,0	-0,2

1) COICOP = Classification of individual consumption by purpose

Table 20 - Consumer Price Index group and product indices classified according to COICOP<sup>1)</sup> and percentage change for the historical metropolitan and other urban areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
CPI: All items	100,00	125,6	129,9	130,0	+0,1	+3,5
Expenditure groups - Very low	1,39	132,7	136,3	137,7	+1,0	+3,8
Low	2,26	131,9	135,2	136,4	+0,9	+3,4
Middle	8,11	131,2	134,6	135,6	+0,7	+3,4
High	16,96	130,0	133,9	134,5	+0,4	+3,5
Very high	71,28	123,5	128,0	127,8	-0,2	+3,5
Commodities	59,42	128,8	133,5	133,6	+0,1	+3,7
Services	40,58	121,3	125,2	125,2	0,0	+3,2
CPI: All items, excluding housing	79,30	128,7	133,9	134,0	+0,1	+4,1
CPI: All items, excluding food	78,12	122,7	127,3	126,9	-0,3	+3,4
Food, beverages and tobacco	26,88	138,2	142,6	144,2	+1,1	+4,3
Food excluding coffee, tea and cocoa	21,88	137,0	140,5	142,6	+1,5	+4,1
Grain products	4,34	130,9	130,8	132,0	+0,9	+0,8
Meat	6,23	142,1	146,1	151,9	+4,0	+6,9
Fish and other seafood	0,70	133,8	142,7	144,1	+1,0	+7,7
Milk, cheese and eggs	2,10	147,6	152,6	152,9	+0,2	+3,6
Fats and oils	0,84	136,5	134,0	133,5	-0,4	-2,2
Fruit and nuts	1,13	133,6	139,2	144,1	+3,5	+7,9
Vegetables	2,18	123,1	133,5	133,9	+0,3	+8,8
Sugar	0,62	132,4	133,2	134,5	+1,0	+1,6
Other	3,74	142,1	144,4	143,3	-0,8	+0,8
Beverages	3,79	135,7	141,6	141,3	-0,2	+4,1
Coffee, tea and cocoa	1,14	121,4	123,6	123,7	+0,1	+1,9
Non-alcoholic beverages	1,13	137,8	143,2	142,7	-0,3	+3,6
Alcoholic beverages	1,52	144,8	153,7	153,4	-0,2	+5,9
Tobacco						
Cigarettes, cigars and tobacco	1,21	157,9	171,2	171,2	0,0	+8,4
Clothing and footwear	3,64	94,3	90,7	90,7	0,0	-3,8
Clothing	2,27	96,1	93,9	93,8	-0,1	-2,4
Footwear	1,37	91,0	85,1	85,3	+0,2	-6,3
Housing, water, electricity, gas and other fuels	24,54	116,4	118,0	118,1	+0,1	+1,5
Housing	20,70	113,7	114,9	115,0	+0,1	+1,1
Fuel and power	3,84	131,9	136,0	136,0	0,0	+3,1
Furnishings, household equipment and routine maintenance of the house	7,50	127,8	133,0	132,8	-0,2	+3,9
Furniture and equipment	2,82	116,1	115,5	115,2	-0,3	-0,8
Furniture	1,08	122,9	123,8	123,5	-0,2	+0,5
Appliances	0,84	117,3	114,7	113,9	-0,7	-2,9
Other household equipment and textiles	0,90	106,5	105,8	106,0	+0,2	-0,5
Household operation	4,68	134,4	143,2	143,1	-0,1	+6,5
Household consumables	1,34	133,7	137,1	137,2	+0,1	+2,6
Domestic workers	3,22	135,4	146,6	146,4	-0,1	+8,1
Other household services	0,12	115,1	117,6	117,7	+0,1	+2,3
Health (Medical care and health expenses)	6,90	150,5	161,8	161,3	-0,3	+7,2
Transport	13,72	123,7	132,7	130,3	-1,8	+5,3
Vehicles	5,11	116,0	115,3	115,1	-0,2	-0,8
Running cost	6,56	134,8	154,5	149,3	-3,4	+10,8
Petrol		133,5	161,2	153,4	-4,8	+14,9
Public and hired transport	2,05	109,2	108,3	109,4	+1,0	+0,2
Leisure, entertainment and culture	3,40	103,1	102,8	102,7	-0,1	-0,4
Recreation and entertainment	3,04	96,9	95,9	95,9	0,0	-1,0
Reading matter	0,36	128,8	134,0	134,0	0,0	+4,0
Education	3,38	144,4	156,2	156,2	0,0	+8,2
Miscellaneous goods and services	10,04	116,5	117,8	118,0	+0,2	+1,3
Communication	2,86	125,6	125,3	125,3	0,0	-0,2
Personal care	3,92	131,0	134,6	135,2	+0,4	+3,2
Other	3,26	102,5	102,4	102,4	0,0	-0,1

1) COICOP = Classification of individual consumption by purpose

Table 21 - Consumer Price Index and percentage change according to urban area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
Western Cape	17,62	126,2	130,8	130,8	0,0	+3,6
Cape Peninsula	11,88	124,6	129,0	128,9	-0,1	+3,5
Other urban areas	5,74	128,8	133,8	133,9	+0,1	+4,0
Eastern Cape	5,40	128,2	132,1	132,1	0,0	+3,0
Port Elizabeth/Uitenhage	2,28	127,4	132,4	132,2	-0,2	+3,8
East London	1,10	127,4	131,7	131,3	-0,3	+3,1
Other urban areas	2,02	129,4	132,0	132,3	+0,2	+2,2
Northern Cape	1,01	128,6	133,2	133,4	+0,2	+3,7
Kimberley	0,41	128,0	133,0	133,4	+0,3	+4,2
Other urban areas	0,60	129,8	134,2	134,3	+0,1	+3,5
Free State	4,79	121,7	125,6	126,2	+0,5	+3,7
Bloemfontein	1,59	121,9	126,4	126,9	+0,4	+4,1
Free State Goldfields	1,22	123,3	128,3	128,7	+0,3	+4,4
Other urban areas	1,98	120,6	123,4	124,2	+0,6	+3,0
KwaZulu-Natal	20,47	125,7	129,3	129,6	+0,2	+3,1
Durban/Pinetown	7,19	125,9	129,8	130,1	+0,2	+3,3
Pietermaritzburg	1,34	127,4	132,3	132,4	+0,1	+3,9
Other urban areas	11,94	125,3	128,5	128,8	+0,2	+2,8
North West	2,61	125,3	130,5	131,5	+0,8	+4,9
Gauteng	42,98	125,1	129,6	129,6	0,0	+3,6
Pretoria/Centurion/Akasia	11,13	124,5	130,0	129,7	-0,2	+4,2
Witwatersrand	24,53	125,3	129,5	129,5	0,0	+3,4
Other urban areas	7,32	126,4	130,4	130,7	+0,2	+3,4
Mpumalanga	3,63	127,8	133,6	133,7	+0,1	+4,6
Nelspruit/Witbank	1,12	124,1	128,7	128,6	-0,1	+3,6
Other urban areas	2,51	129,6	135,8	136,1	+0,2	+5,0
Limpopo Province	1,49	122,6	125,9	125,8	-0,1	+2,6
Polokwane (Pietersburg)	0,21	116,5	119,6	119,3	-0,3	+2,4
Other urban areas	1,28	125,4	128,7	128,8	+0,1	+2,7
CPI for the historical metropolitan and other urban areas	100,00	125,6	129,9	130,0	+0,1	+3,5
CPI for the historical metropolitan areas	64,02	125,0	129,5	129,5	0,0	+3,6

Table 22 - Food price index and percentage change according to urban area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
Western Cape	17,88	134,4	139,0	140,3	+0,9	+4,4
Cape Peninsula	10,85	134,7	139,0	140,3	+0,9	+4,2
Other urban areas	7,03	135,9	140,9	142,2	+0,9	+4,6
Eastern Cape	5,56	142,8	145,3	146,2	+0,6	+2,4
Port Elizabeth/Uitenhage	2,28	143,1	147,2	148,6	+1,0	+3,8
East London	0,76	142,7	145,3	145,2	-0,1	+1,8
Other urban areas	2,52	143,9	145,0	145,6	+0,4	+1,2
Northern Cape	1,21	135,8	138,9	141,3	+1,7	+4,1
Kimberley	0,43	136,1	140,4	143,4	+2,1	+5,4
Other urban areas	0,78	137,5	140,0	142,2	+1,6	+3,4
Free State	4,92	135,8	137,9	141,4	+2,5	+4,1
Bloemfontein	1,51	147,1	151,5	154,8	+2,2	+5,2
Free State Goldfields	1,05	134,2	136,7	140,8	+3,0	+4,9
Other urban areas	2,36	131,8	132,4	135,7	+2,5	+3,0
KwaZulu-Natal	21,35	141,4	141,7	144,6	+2,0	+2,3
Durban/Pinetown	6,78	143,1	141,5	145,4	+2,8	+1,6
Pietermaritzburg	1,68	139,9	140,8	143,6	+2,0	+2,6
Other urban areas	12,89	140,5	141,9	144,2	+1,6	+2,6
North West	2,72	136,3	139,5	145,0	+3,9	+6,4
Gauteng	41,19	134,2	139,3	140,8	+1,1	+4,9
Pretoria/Centurion/Akasia	8,22	133,0	137,8	139,6	+1,3	+5,0
Witwatersrand	23,82	133,5	139,3	140,8	+1,1	+5,5
Other urban areas	9,15	137,5	140,9	142,4	+1,1	+3,6
Mpumalanga	3,65	146,1	150,0	152,2	+1,5	+4,2
Nelspruit/Witbank	0,90	140,5	144,8	146,6	+1,2	+4,3
Other urban areas	2,75	148,1	151,9	154,2	+1,5	+4,1
Limpopo Province	1,52	139,9	142,4	143,6	+0,8	+2,6
Polokwane (Pietersburg)	0,13	144,0	146,2	147,3	+0,8	+2,3
Other urban areas	1,39	138,2	140,9	142,2	+0,9	+2,9
CPI for the historical metropolitan and other urban areas	100,00	136,5	140,0	142,0	+1,4	+4,0
CPI for the historical metropolitan areas	58,44	135,7	139,7	141,6	+1,4	+4,3

Table 23 - Consumer Price Index excluding housing and percentage change according to urban area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
Western Cape	17,28	128,3	133,8	133,7	-0,1	+4,2
Cape Peninsula	11,27	128,1	133,6	133,5	-0,1	+4,2
Other urban areas	6,01	129,5	134,7	134,9	+0,1	+4,2
Eastern Cape	5,90	132,5	137,3	137,2	-0,1	+3,5
Port Elizabeth/Uitenhage	2,22	134,0	140,3	140,0	-0,2	+4,5
East London	1,60	132,1	137,2	136,7	-0,4	+3,5
Other urban areas	2,08	132,5	135,8	136,0	+0,1	+2,6
Northern Cape	0,73	130,3	135,5	135,8	+0,2	+4,2
Kimberley	0,11	131,2	137,2	137,8	+0,4	+5,0
Other urban areas	0,62	131,2	135,9	136,1	+0,1	+3,7
Free State	4,87	123,0	127,1	127,8	+0,6	+3,9
Bloemfontein	1,46	126,0	131,1	131,8	+0,5	+4,6
Free State Goldfields	1,26	124,2	128,9	129,3	+0,3	+4,1
Other urban areas	2,15	121,2	124,3	125,2	+0,7	+3,3
KwaZulu-Natal	20,43	130,6	134,9	135,2	+0,2	+3,5
Durban/Pinetown	7,09	130,6	134,8	135,1	+0,2	+3,4
Pietermaritzburg	1,36	131,4	137,0	137,2	+0,1	+4,4
Other urban areas	11,98	130,0	134,2	134,5	+0,2	+3,5
North West	2,59	130,7	136,9	138,2	+0,9	+5,7
Gauteng	42,97	127,8	133,2	133,2	0,0	+4,2
Pretoria/Centurion/Akasia	11,28	127,0	133,1	132,7	-0,3	+4,5
Witwatersrand	24,08	128,0	133,6	133,6	0,0	+4,4
Other urban areas	7,61	128,4	132,4	132,8	+0,3	+3,4
Mpumalanga	3,69	133,6	140,3	140,5	+0,1	+5,2
Nelspruit/Witbank	1,04	131,4	137,9	137,8	-0,1	+4,9
Other urban areas	2,65	134,6	141,4	141,8	+0,3	+5,3
Limpopo Province	1,54	125,2	129,4	129,2	-0,2	+3,2
Polokwane (Pietersburg)	0,17	124,9	129,5	129,1	-0,3	+3,4
Other urban areas	1,37	125,3	129,1	129,2	+0,1	+3,1
CPI for the historical metropolitan and other urban areas	100,00	128,7	133,9	134,0	+0,1	+4,1
CPI for the historical metropolitan areas	62,96	128,4	133,9	133,9	0,0	+4,3

Table 24 - Consumer Price Index excluding food and percentage change according to urban area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
Western Cape	17,46	124,3	128,9	128,5	-0,3	+3,4
Cape Peninsula	12,13	122,5	126,9	126,4	-0,4	+3,2
Other urban areas	5,33	126,9	131,9	131,6	-0,2	+3,7
Eastern Cape	5,31	124,0	128,5	128,1	-0,3	+3,3
Port Elizabeth/Uitenhage	2,26	122,8	128,2	127,4	-0,6	+3,7
East London	1,19	124,9	129,5	129,1	-0,3	+3,4
Other urban areas	1,86	125,2	128,5	128,6	+0,1	+2,7
Northern Cape	1,48	126,1	131,4	130,7	-0,5	+3,6
Kimberley	0,94	124,7	129,8	129,4	-0,3	+3,8
Other urban areas	0,54	127,1	132,4	131,6	-0,6	+3,5
Free State	4,72	117,2	121,7	121,4	-0,2	+3,6
Bloemfontein	1,60	115,8	120,4	120,1	-0,2	+3,7
Free State Goldfields	1,26	120,4	126,0	125,5	-0,4	+4,2
Other urban areas	1,86	116,8	120,5	120,3	-0,2	+3,0
KwaZulu-Natal	20,10	121,8	126,4	125,9	-0,4	+3,4
Durban/Pinetown	7,27	121,3	126,6	126,0	-0,5	+3,9
Pietermaritzburg	1,23	123,6	130,1	129,2	-0,7	+4,5
Other urban areas	11,60	121,2	125,3	124,8	-0,4	+3,0
North West	2,56	122,6	128,6	128,1	-0,4	+4,5
Gauteng	43,29	122,9	127,3	126,9	-0,3	+3,3
Pretoria/Centurion/Akasia	11,93	122,7	128,4	127,7	-0,5	+4,1
Witwatersrand	24,62	123,5	127,3	126,9	-0,3	+2,8
Other urban areas	6,74	124,1	128,3	128,3	0,0	+3,4
Mpumalanga	3,61	122,8	129,1	128,6	-0,4	+4,7
Nelspruit/Witbank	1,18	120,5	125,2	124,7	-0,4	+3,5
Other urban areas	2,43	124,3	131,4	131,0	-0,3	+5,4
Limpopo Province	1,47	118,5	122,0	121,5	-0,4	+2,5
Polokwane (Pietersburg)	0,23	111,2	114,6	113,9	-0,6	+2,4
Other urban areas	1,24	122,5	126,1	125,7	-0,3	+2,6
CPI for the historical metropolitan and other urban areas	100,00	122,7	127,3	126,9	-0,3	+3,4
CPI for the historical metropolitan areas	65,85	122,6	127,2	126,6	-0,5	+3,3

Table 25 - Consumer Price Index for pensioners and percentage change according to urban area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Dec 2004	Nov 2005	Dec 2005	Nov 2005 and Dec 2005	Dec 2004 and Dec 2005
Western Cape	20,00	130,8	136,0	136,0	0,0	+4,0
Cape Peninsula	12,55	130,0	134,9	134,9	0,0	+3,8
Other urban areas	7,45	131,9	137,6	137,7	+0,1	+4,4
Eastern Cape	6,08	131,7	135,9	136,0	+0,1	+3,3
Port Elizabeth/Uitenhage	3,06	129,3	133,5	133,6	+0,1	+3,3
East London	0,62	138,5	146,9	146,8	-0,1	+6,0
Other urban areas	2,40	133,8	136,8	137,1	+0,2	+2,5
Northern Cape	1,57	134,6	140,0	140,6	+0,4	+4,5
Kimberley	0,69	133,4	139,1	139,8	+0,5	+4,8
Other urban areas	0,88	135,3	140,4	141,0	+0,4	+4,2
Free State	5,49	124,4	128,5	129,5	+0,8	+4,1
Bloemfontein	1,83	123,2	128,9	129,8	+0,7	+5,4
Free State Goldfields	0,86	126,0	131,0	132,5	+1,1	+5,2
Other urban areas	2,80	122,7	125,3	126,3	+0,8	+2,9
KwaZulu-Natal	22,75	130,4	134,3	134,9	+0,4	+3,5
Durban/Pinetown	7,03	131,8	136,1	136,6	+0,4	+3,6
Pietermaritzburg	1,40	131,4	135,6	136,4	+0,6	+3,8
Other urban areas	14,32	129,7	133,3	133,9	+0,5	+3,2
North West	2,40	130,2	135,7	137,5	+1,3	+5,6
Gauteng	37,69	129,6	134,7	134,9	+0,1	+4,1
Pretoria/Centurion/Akasia	11,35	128,5	134,7	134,8	+0,1	+4,9
Witwatersrand	16,11	130,0	135,4	135,5	+0,1	+4,2
Other urban areas	10,23	129,5	133,2	133,5	+0,2	+3,1
Mpumalanga	2,41	134,7	141,1	141,5	+0,3	+5,0
Nelspruit/Witbank	0,26	137,1	141,3	142,1	+0,6	+3,6
Other urban areas	2,15	134,4	141,1	141,4	+0,2	+5,2
Limpopo Province	1,61	127,2	130,9	130,9	0,0	+2,9
Polokwane (Pietersburg)	0,26	132,6	135,3	136,2	+0,7	+2,7
Other urban areas	1,35	126,7	130,6	130,3	-0,2	+2,8
CPI for the historical metropolitan and other urban areas	100,00	130,0	134,8	135,1	+0,2	+3,9
CPI for the historical metropolitan areas	56,03	129,9	135,2	135,4	+0,1	+4,2



**EXPLANATORY NOTES**

- Introduction**     **1**     This publication contains results of the monthly Survey of Consumer (Retail) Prices. The results of the survey are used to compile the Consumer Price Index (CPI), an economic indicator, which indicates the changes in the prices of consumer goods and services. The annual percentage change in the Consumer Price Index indicates the inflation rate. These statistics are used by the private sector in the analysis of comparative business performance, as well as for contract price adjustments. It is also used in the determination of economic and social policy.
- 2**     The indices are classified according to the International Trade Classification (as indicated in tables 1, 3 to 18, 25 and 26) and geographical areas (as indicated in tables 21 to 24 and 27). 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 19 and 20 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)**     **4**     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.
- 6**     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.
- 8**     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.
- 9**     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.
- 12 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.
- 16 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 tariffs.
- Furniture and equipment.
- Medicine.
- Garden tools.
- Washing ironing and dry-cleaning.
- Sport equipment.
- Reading matter and stationery.
- 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.

18 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:

Items/products	Month of survey
• Doctor's and dentist's fees. • Motor vehicle license and registration fees. • Telephone (land lines).	• January.
• Toll-fees at toll-gates. • School funds. • University boarding and class fees.	• March.
• Parking fees. • Postal tariffs.	• April.
• Public transport tariffs.	• June.
• Property taxes. • Refuse removal. • Sanitary fees.	• July.
• Maintenance of graves.	• October.

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

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

**Classification** 21 The International Trade Classification (ITC) was used to classify the products and services contained in the basket of goods and services.

22 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 19 and 20.

**Statistical unit** 23 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** 24 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.

25 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.

26 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.

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

**Processing of price information** 29 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 telephonic inquiry.

<b>Calculating product price indices</b>	<b>30</b>	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.
<b>Calculating group price indices</b>	<b>31</b>	Group price indices are calculated by weighting product indices with the relevant product weight, according to each weighting structure, using the Laspeyres formula.
<b>Contributions of specific items to the total CPI</b>	<b>32</b>	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'.
<b>Core index</b>	<b>33</b>	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.
	<b>34</b>	Exclusions from the CPI to obtain the core index, and the reasons for exclusion are as follows – <ul style="list-style-type: none"> <li>• Fresh and frozen meat and fish: Prices may be highly volatile, particularly during and following periods of drought.</li> <li>• 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.</li> <li>• 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.</li> <li>• Changes in VAT (Value Added Tax): VAT is predominantly determined by government (fiscal policy).</li> <li>• Assessment rates: These taxes are predominantly determined by local government.</li> </ul>
	<b>35</b>	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.
<b>CPI excluding interest rates on mortgage bonds (CPIX)</b>	<b>36</b>	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 (see table 1 on page 16).
<b>CPI for administered prices</b>	<b>37</b>	An administered price can be 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 one or other government agencies/institutions without reference to market forces.

- 38** Basket of administered prices:
- Housing (sanitary fees, refuse removal, assessment rates, water and university boarding fees);
  - Fuel and power (electricity and paraffin);
  - Medical care (public hospital);
  - Communication (telephone calls, telephone rent and installation, postage, cell phones connection fees and cell phones calls);
  - Education (school fees and university/technicons/colleges);
  - Transport (petrol, public transport – municipal buses and trains, motor licenses and registration); and
  - Recreation and entertainment (television licence).

**CPI for regulated prices**      **39** Regulated prices are those administered prices that are said to be 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.

- 40** Basket of administered prices that are regulated:
- Housing (water);
  - Fuel and power (electricity and paraffin);
  - Medical care (public hospital);
  - Communication (telephone calls, telephone rent and installation, postage, cell phones connection fees and cell phones calls); and
  - Transport (petrol).

**Reliability of estimates**      **41** 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**      **42** Users may also wish to refer to the following publications, which are available from Stats SA –

- Bulletin of Statistics; and
- SA Statistics.

**Unpublished statistics**      **43** In some cases, Stats SA can also make available information, 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.

<b>Symbols and abbreviations</b>	Stats SA	Statistics South Africa
	..	not available
	-	nil or not applicable
	*	revised since previous publication
	avg	average

**TECHNICAL NOTES**

- Response rate**      **1** The response rate for the CPI for the historical metropolitan areas for December 2005 was 97%.
- 2** The response rate for the CPI for the historical metropolitan and other urban areas for December 2005 was 98 %.

**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 (see table 1 on page 16).

**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 one or other government agencies/institutions without reference to market forces.

**CPI for regulated prices** Regulated prices are those administered prices that are said to be 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.

**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.

**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.

<b>Establishment</b>	An establishment (branch) is the smallest economic unit that functions as a separate entity.
<b>Indicator products</b>	Indicator products are those products or services that were selected in the basket, which is used to compile the Consumer Price Index.
<b>Inflation rate</b>	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.
<b>Metropolitan area</b>	<p>Metropolitan areas in the CPI refer to the following 12 metropolitan areas used in the compilation of the CPI –</p> <ul style="list-style-type: none"><li>• Cape Peninsula</li><li>• Port Elizabeth/Uitenhage</li><li>• East London</li><li>• Kimberley</li><li>• Bloemfontein</li><li>• Free State Goldfields</li><li>• Durban/Pinetown</li><li>• Pietermaritzburg</li><li>• Pretoria/Centurion/Akasia</li><li>• Witwatersrand</li><li>• Nelspruit/Witbank</li><li>• Polokwane (Pietersburg)</li></ul> <p>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. As from 2002 the Klerksdorp/Orkney/Stilfontein area is included under other urban areas as the coverage in the IES was not comprehensive enough to determine a weighting structure for this area.</p>
<b>Monthly percentage change</b>	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.
<b>Weights</b>	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.



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