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# **Consumer Price Index (CPI)**

January 2003

Co-operation between Statistics South Africa (Stats SA), the citizens of the country, the private sector and government institutions is essential for a successful statistical system. Without continued co-operation and goodwill, the timely release of relevant and reliable official statistics will not be possible.

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

This data in this statistical release adheres to the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF), which sets out standards on coverage, periodicity and timeliness of data; access by the public; integrity; and quality of the disseminated data.

**Embargo: 11:30** 

Date: 18 February 2003

#### **EXECUTIVE SUMMARY**

#### **KEY FIGURES AT JANUARY 2003**

		Indices (2000=100)		Percentage change between			
Main Indices	January 2002	December 2002	January 2003	December 2002 and January 2003		January 2002 and January 2003	
				Actual %	Seasonally adjusted %	Actual %	
CPI (metropolitan areas)	109,0	122,6	123,9	+ 1,1	+ 0,3	+13,7	
CPI excluding interest rates on mortgage bonds (CPIX) (metropolitan and other urban areas)	111,2	122,8	124,3	+ 1,2	+ 0,5	+11,8	

#### **KEY FINDINGS AT JANUARY 2003**

The headline inflation rate at January 2003 (i.e. the Consumer Price Index for the historical metropolitan areas at January 2003 compared with that at January 2002) is 13,7%. This rate is 0,7 of a percentage point lower than the corresponding annual rate of 14,4% at December 2002.

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at January 2003 compared with that at January 2002) is 13,7% at January 2003. This rate is 0,7 of a percentage point lower than the corresponding annual rate of 14,4% at December 2002 (i.e. the percentage change in the CPI for the historical metropolitan areas at December 2002 compared with that at December 2001) (cf. table 2.1, p.13). This lower rate at January 2003 compared with that at December 2002 can be explained by decreases in the inflation rates for the following:

- The CPI for food for which the rate decreased from 16,1% at December 2002 to a lower, but still relatively high rate of 15,5% at January 2003.
- The CPI for medical care and health expenses for which the rate decreased from 13,5% at December 2002 to a lower rate of 10,7% at January 2003.
- The CPI for transport for which the rate decreased from 10,3% at December 2002 to a lower rate of 7,1% at January 2003.
- The CPI for education for which the rate decreased from 7,5% at December 2002 to a lower rate of 1,0% at January 2003.
- The CPI for other goods and services for which the rate decreased from 6,9% at December 2002 to a lower rate of 6,4% at January 2003.

However this lower rate was partially counteracted by higher annual rates of change reflected at January 2003 compared with that at December 2002 for the following:

- The CPI for housing, for which the rate increased from 28,5% at December 2002 to 29,7% at January 2003.
- The CPI for communication, for which the rate increased from 4,9% at December 2002 to 8,0% at January 2003.

From December 2002 to January 2003 the Consumer Price Index for the historical metropolitan areas increased by 1,1% and the seasonally adjusted index increased by 0,3%.

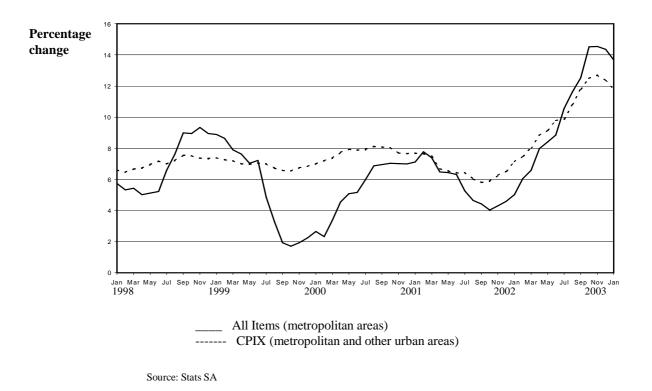
The annual increase of 13,7% in the Consumer Price Index for the historical metropolitan areas is mainly due to annual increases in the price indices for housing (+ 6,2 percentage points), food (+ 3,4 percentage points), transport (+ 1,1 percentage points), medical care and health expenses (+ 0,7 of a percentage point) and personal care (+ 0,4 of a percentage point) (cf. table 3, p.14).

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 11,8% at January 2003 (i.e. the CPIX at January 2003 compared with that at January 2002)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the historical metropolitan and other urban areas is 11,8% at January 2003 (i.e. the CPIX at January 2003 compared with that at January 2002). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 12,4% at December 2002 (cf. table 2.2, p. 13). From December 2002 to January 2003 the CPIX for the historical metropolitan and other urban areas increased by 1,2% and the seasonally adjusted index increased by 0,5%.

The annual increase of 11,8% in the CPIX for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for food (+ 4,5 percentage points), housing, excluding interest rates on mortgage bonds (+ 2,9 percentage points, due to increases in all components in certain areas), transport (+ 1,0 percentage point), medical care and health expenses (+ 0,9 of a percentage point) and personal care (+ 0,5 of a percentage point) (cf. table 9, p. 15).

Figure 1 – Annual percentage change in the Consumer Price Index



### **CPI FOR FEBRUARY 2003**

In addition to the usual price surveys for February 2003, a survey of train and bus fees as well as electricity fees in certain areas will be undertaken, as it has come to Stats SA's attention that price changes in these items will be introduced during the first seven days of February 2003.

## **CPI FOR RURAL AREAS**

Due to technical reasons the CPI for rural areas and the total country are not included in this release. However, it will be included in the CPI for February 2003. These indices will be based on prices collected in the smaller towns and weights determined for the rural areas by means of the 2000 Survey of Income and Expenditure of Households.

pp P J Lehohla

CONTENTS		PAGE
Metropolitan a		~
	Key figures	5
	Key findings	5
Metropolitan a	nd other urban areas  Key figures	8
		-
	Key findings	8
Notes		11
Table 1	Expenditure group and area indices of the Consumer Price Index and percentage change	13
Table 2.1	The Consumer Price Index and the annual inflation rate on a monthly basis for the metropolitan areas	13
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 metropolitan and other urban areas	13
Table 3	Contributions of different groups to the annual percentage change in the CPI for the metropolitan areas	14
Table 4	Contributions of different groups to the monthly percentage change in the CPI for the metropolitan areas	14
Table 5	Contributions of different groups to the annual percentage change in the CPI for the metropolitan and other urban areas	14
Table 6	Contributions of different groups to the monthly percentage change in the CPI for the metropolitan and other urban areas	14
Table 7	Contributions of different groups to the annual percentage change in the CPIX for the metropolitan areas	15
Table 8	Contributions of different groups to the monthly percentage change in the CPIX for the metropolitan areas	15
Table 9	Contributions of different groups to the annual percentage change in the CPIX for the metropolitan and other urban areas	15
Table 10	Contributions of different groups to the monthly percentage change in the CPIX for the metropolitan and other urban areas	15
Table 11	Contributions of different groups to the annual percentage change in the Core index for the metropolitan areas	16
Table 12	Contributions of different groups to the monthly percentage change in the Core index for the metropolitan areas	16
Table 13	Contributions of different groups to the annual percentage change in the Core index for the metropolitan and other urban areas	16
Table 14	Contributions of different groups to the monthly percentage change in the Core index for the metropolitan and other urban areas	16
Table 15	Consumer Price Index group and product indices and percentage change for the metropolitan areas	17

CONTENTS		PAGE
Table 16	Consumer Price Index group and product indices and percentage change for the metropolitan and other urban areas	18
Table 17	Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the metropolitan areas	19
Table 18	Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the metropolitan and other urban areas	20
Table 19	Consumer Price Index group and product indices classified according to COICOP and percentage change for the metropolitan areas	21
Table 20	Consumer Price Index group and product indices classified according to COICOP and percentage change for the metropolitan and other urban areas	22
Table 21	Consumer Price Index and percentage change according to urban area	23
Table 22	Food Price Index and percentage change according to urban area	24
Table 23	Consumer Price Index excluding housing and percentage change according to urban area.	25
Table 24	Consumer Price Index excluding food and percentage change according to urban area	26
Table 25	Seasonally adjusted group and product indices of the Consumer Price Index for the metropolitan areas	27
Table 26	Seasonally adjusted group and product indices of the Consumer Price Index for the metropolitan and other urban areas	27
Table 27	Consumer Price Index for pensioners and percentage change according to urban area.	28
Additional info	rmation	
	Explanatory notes	29
	Technical notes.	34
	Glossary	35
For more inform	nation	27

#### HISTORICAL METROPOLITAN AREAS

#### **KEY FIGURES AT JANUARY 2003**

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

		Indices (2000=100)		Percentage change between			
Main Indices	January 2002	December2 002	January 2003	December 2002 and January 2003		January 2002 and January 2003	
				Actual %	Seasonally adjusted %	Actual %	
CPI	109,0	122,6	123,9	+ 1,1	+ 0,3	+ 13,7	
CPI excluding interest rates on							
mortgage bonds (CPIX)	111,6	123,3	124,9	+ 1,3	+ 0,5	+ 11,9	
Core index	111,2	122,4	123,9	+ 1,2	+ 0,5	+ 11,4	
Food price index	114,1	130,3	131,8	+ 1,2	+ 0,4	+ 15,5	
CPI excluding food price index	107,8	120,7	122,0	+ 1,1	+ 0,4	+ 13,2	
CPI excluding Value Added Tax (VAT)	109,0	122,6	123,9	+ 1,1	+ 0,3	+ 13,7	

#### **KEY FINDINGS AT JANUARY 2003**

The headline inflation rate at January 2003 (i.e. the Consumer Price Index for the historical metropolitan areas at January 2003 compared with that at January 2002) is 13,7%. This rate is 0,7 of a percentage point lower than the corresponding annual rate of 14,4% at December 2002.

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at January 2003 compared with that at January 2002) is 13,7% at January 2003. This rate is 0,7 of a percentage point lower than the corresponding annual rate of 14,4% at December 2002 (i.e. the percentage change in the CPI for the historical metropolitan areas at December 2002 compared with that at December 2001) (cf. table 2.1, p. 13). This lower rate at January 2003 compared with that at December 2002 can be explained by decreases in inflation rates for the following:

- The CPI for food for which the rate decreased from 16,1% at December 2002 to a lower, but still relatively high rate of 15,5% at January 2003.
- The CPI for medical care and health expenses for which the rate decreased from 13,5% at December 2002 to a lower rate of 10,7% at January 2003.
- The CPI for transport for which the rate decreased from 10,3% at December 2002 to a lower rate of 7,1% at January 2003.
- The CPI for education for which the rate decreased from 7,5% at December 2002 to a lower rate of 1,0% at January 2003.
- The CPI for other goods and services for which the rate decreased from 6,9% at December 2002 to a lower rate of 6,4% at January 2003.

However this lower rate was partially counteracted by higher annual rates of change reflected at January 2003 compared with that at December 2002 for the following:

- The CPI for housing, for which the rate increased from 28,5% at December 2002 to 29,7% at January 2003.
- The CPI for communication, for which the rate increased from 4,9% at December 2002 to 8,0% at January 2003.

From December 2002 to January 2003 the Consumer Price Index for the historical metropolitan areas increased by 1,1% and the seasonally adjusted index increased by 0,3%.

The annual increase of 13,7% in the Consumer Price Index for the historical metropolitan areas is mainly due to annual increases in the price indices for housing (+ 6,2 percentage points), food (+ 3,4 percentage points), transport (+ 1,1 percentage points), medical care and health expenses (+ 0,7 of a percentage point) and personal care (+ 0,4 of a percentage point) (cf. table 3, p. 14).

The Consumer Price Index for the historical metropolitan areas increased by 1,1% from December 2002 to January 2003. This monthly increase is due to monthly increases in the price indices for medical care and health expenses (+ 0,4 of a percentage point), housing (+ 0,3 of a percentage point), food (+ 0,3 of a percentage point) and communication (+ 0,2 of a percentage point). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (- 0,1 of a percentage point, mainly due to a decrease of 18c/l in the petrol price) (cf. table 4, p. 14).

Annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) is 11,9% at January 2003 (i.e. the percentage change in the CPIX at January 2003 compared with that at January 2002)

The annual percentage change in the CPIX for the historical metropolitan areas is 11,9% at January 2003 (i.e. the percentage change in the CPIX at January 2003 compared with that at January 2002). This rate is 0,7 of a percentage point lower than the corresponding annual rate of 12,6% at December 2002. From December 2002 to January 2003 the CPIX for the historical metropolitan areas, increased by 1,3% and the seasonally adjusted index increased by 0,5% for the same period.

The annual increase of 11,9% in the CPIX for the historical metropolitan areas is mainly due to annual increases in the price indices for food (+ 3,8 percentage points), housing, excluding interest rates on mortgage bonds (+ 3,6 percentage points, due to increases in all components in certain areas), transport (+ 1,2 percentage points), medical care and health expenses (+ 1,0 percentage point) and personal care (+ 0,4 of a percentage point) (cf. table 7, p. 15).

From December 2002 to January 2003 the CPIX for the historical metropolitan areas increased by 1,3%. This monthly increase is due to monthly increases in the price indices for housing, excluding interest rates on mortgage bonds (+ 0,4 of a percentage point), food (+ 0,4 of a percentage point), medical care and health expenses (+ 0,4 of a percentage point) and communication (+ 0,3 of a percentage point). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a decrease of 18c/l in the petrol price) (cf. table 8, p. 15).

#### Core inflation rate

The core inflation rate for the historical metropolitan areas (cf. explanatory notes 33, 34 and 35 on page 33) is 11,4% at January 2003 (i.e. the core index at January 2003 compared with that at January 2002). This rate is 0,8 of a percentage point lower than the corresponding annual rate of 12,2% at December 2002. From December 2002 to January 2003 the core index for the historical metropolitan areas increased by 1,2% and the seasonally adjusted index increased by 0,5% for the same period.

The annual increase of 11,4% in the core index for the historical metropolitan areas is mainly due to annual increases in the price indices for housing (+ 4,7 percentage points, due to increases in all components in certain areas), food (+ 1,7 percentage points), transport (+ 1,4 percentage points), medical care and health expenses (+ 0,8 of a percentage point) and personal care (+ 0,5 of a percentage point) (cf. table 11, p. 16).

From December 2002 to January 2003 the core index for the historical metropolitan areas increased by 1,2%. This monthly increase is due to monthly increases in the price indices for medical care and health expenses (+ 0,6 of a percentage point), housing (+ 0,4 of a percentage point, due to increases in all components in certain areas), communication (+0,3 of a percentage point) and food (+ 0,1 of a percentage point). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a decrease of 18c/l in the petrol price) (cf. table 12, p. 16).

## Food inflation

The price index for food reflects an annual rate of increase of 15,5% at January 2003 (i.e. the CPI for food at January 2003 compared with that at January 2002). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 16,1% at December 2002. From December 2002 to January 2003 this index increased by 1,2% and the seasonally adjusted index increased by 0,4%.

Annual increases occurred in the price indices for grain products (+19,5%), milk, cheese and eggs (+17,5%), meat (+17,4%), fats and oils (+15,3%), "other" food products (+14,0%), sugar (+11,6%), vegetables (+11,3%), coffee, tea and cocoa (+10,9%), fish and other seafood (+10,5%) and fruit and nuts (+10,4%) (cf. table 15, p. 17).

Monthly increases occurred in the price indices for fruit and nuts (+2,1%), vegetables (+2,0%), meat (+1,7%), grain products (+1,2%), sugar (+0,9%), fish and other seafood (+0,9%), fats and oils (+0,8%), milk, cheese and eggs (+0,4%), "other" food products (+0,2%) and coffee, tea and cocoa (+0,2%) (cf. table15 p. 17).

#### Price index for non-food items

The price index for non-food items shows an annual rate of increase of 13,2% at January 2003 (i.e. the price index for non-food items at January 2003 compared with that at January 2002). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 13,8% at December 2002. From December 2002 to January 2003 this index increased by 1,1% and the seasonally adjusted index increased by 0,4%.

Relatively large annual increases occurred in the price indices for housing (+29.7%), non-alcoholic beverages (+12.3%), medical care and health expenses (+10.7%), cigarettes, cigars and tobacco (+10.6%), personal care (+9.8%), furniture and equipment (+9.4%), alcoholic beverages (+8.3%), communication (+8.0%) and transport (+7.1%) (cf. table 15, p.17).

Relatively large monthly increases occurred in the price indices for communication (+8,0%), medical care and health expenses (+5,8%), reading matter (+1,7%), fuel and power (+1,5%), housing (+1,3%) and non-alcoholic beverages (+0,9%). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (-1,3%), mainly due to a decrease of 18c/l in the petrol price) (cf. table 15, p. 17).

#### 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 January 2003 and the average index of the previous three months. This approach, when using seasonally adjusted data shows an increase of 13,1% (which is 3,8 percentage points lower than the corresponding rate of 16,9% for December 2002), while the unadjusted data shows an increase of 10,9% (which is 2,3 percentage points lower than the corresponding rate of 13,2% for December 2002).

# **Pensioners**

The annual inflation rate for pensioners in the historical metropolitan areas is 11,6% at January 2003 (i.e. the CPI for pensioners at January 2003 compared with that at January 2002), which is 0,2 of a percentage point lower than the corresponding rate of 11,8% at December 2002 (cf. table 27, p. 28).

#### HISTORICAL METROPOLITAN AND OTHER URBAN AREAS

#### **KEY FIGURES AT JANUARY 2003**

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

		Indices (2000=100)		Percentage change between			
Main Indices	January 2002	December 2 002	January 2003	December 2002 and January 2003		January 2002 and January 2003	
				Actual %	Seasonally adjusted %	Actual %	
CPI	108,9	122,2	123,5	+ 1,1	+ 0,3	+ 13,4	
CPI excluding interest rates on mortgage bonds (CPIX)	111,2	122,8	124,3	+ 1,2	+ 0,5	+ 11,8	
Core index	110,7	121,4	122,8	+ 1,2	+ 0,6	+ 10,9	
Food price index	113,9	131,8	133,3	+ 1,1	+ 0,6	+ 17,0	
CPI excluding food price index	107,7	119,8	121,1	+ 1,1	+ 0,3	+ 12,4	
CPI excluding Value Added Tax (VAT)	108,9	122,2	123,5	+ 1,1	+ 0,3	+ 13,4	

#### **KEY FINDINGS AT JANUARY 2003**

Inflation rate for the historical metropolitan and other urban areas is 13,4% at January 2003 (i.e. the CPI at January 2003 compared with that at January 2002)

The inflation rate for the historical metropolitan and other urban areas is 13,4% at January 2003 (i.e. the CPI at January 2003 compared with that at January 2002). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 14,0% at December 2002, mainly due to decreases in the inflation rates for:

- The CPI for food for which the rate decreased from 17,7% at December 2002 to a lower, but still relatively high rate of 17,0% at January 2003.
- The CPI for medical care and health expenses for which the rate decreased from 13,5% at December 2002 to a lower rate of 10,7% at January 2003.
- The CPI for transport for which the rate decreased from 9,6% at December 2002 to a lower rate of 6,8% at January 2003.
- The CPI for education for which the rate decreased from 8,2% at December 2002 to a lower rate of 1,1% at January 2003
- The CPI for clothing and footwear for which the rate decreased from 4,4% at December 2002 to a lower rate of 4,2% at January 2003. (cf. table 5, p. 14).

However, the impact of these decreases were partially counteracted by higher inflation rates in the consumer price indices for:

- The CPI for housing, for which the rate increased from 26,1% at December 2002 to 27,0% at January 2003.
- The CPI for communication, for which the rate increased from 5,0% at December 2002 to 8,4% at January 2003.

From December 2002 to January 2003 the Consumer Price Index for the historical metropolitan and other urban areas increased by 1,1% and the seasonally adjusted index increased by 0,3%.

The annual increase of 13,4% in the Consumer Price Index for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for housing (+ 5,4 percentage points), food (+ 4,2 percentage points), transport (+ 0,9 of a percentage point), medical care and health expenses (+ 0,9 of a percentage point) and personal care (+ 0,4 of a percentage point) (cf. table 5, p. 14).

From December 2002 to January 2003 the Consumer Price Index for the historical metropolitan and other urban areas increased by 1,1%. This monthly increase is due to monthly increases in the price indices for medical care and health expenses (+ 0,4 of a percentage point), housing (+ 0,3 of a percentage point), food (+ 0,3 of a percentage point) and communication (+ 0,2 of a percentage point). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (- 0,1 of a percentage point, mainly due to a decrease of 18c/l in the petrol price) (cf. table 6, p. 14).

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 11,8% at January 2003 (i.e. the CPIX at January 2003 compared with that at January 2002)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the historical metropolitan and other urban areas is 11,8% at January 2003 (i.e. the CPIX at January 2003 compared with that at January 2002). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 12,4% at December 2002 (cf. table 2.2, p. 13). From December 2002 to January 2003 the CPIX for the historical metropolitan and other urban areas increased by 1,2% and the seasonally adjusted index increased by 0,5%.

The annual increase of 11,8% in the CPIX for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for food (+ 4,5 percentage points), housing, excluding interest rates on mortgage bonds (+ 2,9 percentage points, due to increases in all components in certain areas), transport (+ 1,0 percentage point), medical care and health expenses (+ 0,9 of a percentage point) and personal care (+ 0,5 of a percentage point) (cf. table 9, p. 15).

From December 2002 to January 2003 the CPIX for the historical metropolitan and other urban areas increased by 1,2%. This monthly increase was due to monthly increases in the price indices for medical care and health expenses (+ 0,5 of a percentage point), housing, excluding interest rates on mortgage bonds (+ 0,3 of a percentage point), food (+ 0,3 of a percentage point) and communication (+ 0,2 of a percentage point). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (- 0,1 of a percentage point, mainly due to a decrease of 18c/l in the petrol price) (cf. table 10, p. 15).

### **Core inflation rate**

The core inflation rate for the historical metropolitan and other urban areas (cf. explanatory notes 33, 34 and 35 on page 33) is 10,9% at January 2003 (i.e. the core index at January 2003 compared with that at January 2002), which is 0,7 of a percentage point lower than the corresponding annual rate of 11,6% at December 2002. From December 2002 to January 2003 the core index for the historical metropolitan and other urban areas increased by 1,2% and the seasonally adjusted index increased by 0,6%.

The annual increase of 10,9% in the core index for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for housing (+ 3,6 percentage points), food (+ 2,4 percentage points), transport (+ 1,3 percentage points), medical care and health expenses (+ 0,8 of a percentage point) and personal care (+ 0,5 of a percentage point) (cf. table 13, p. 16).

From December 2002 to January 2003 the core index for the historical metropolitan and other urban areas increased by 1,2%. This monthly increase is due to monthly increases in the price indices for medical care and health expenses (+ 0,6 of a percentage point), housing (+ 0,3 of a percentage point), communication (+ 0,3 of a percentage point) and food (+ 0,2 of a percentage point). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a decrease of 18c/l in the petrol price) (cf. table 14, p. 16).

#### Food inflation

The price index for food reflects an annual rate of increase of 17,0% at January 2003 (i.e. the CPI for food at January 2003 compared with that at January 2002). This rate is 0,7 of a percentage point lower than the corresponding annual rate of 17,7% at December 2002. From December 2002 to January 2003 this index increased by 1,1% and the seasonally adjusted index increased by 0,6%.

Annual increases occurred in the price indices for grain products (+21,4%), meat (+19,2%), milk, cheese and eggs (+17,6%), fruit and nuts (+14,6%), fats and oils (+14,6%), "other" food products (+14,6%), vegetables (+13,1%), fish and other seafood (+12,9%), sugar (+12,6%) and coffee, tea and cocoa (+11,8%) (cf. table 16, p. 18).

Monthly increases occurred in the price indices for fruit and nuts (+3,0%), meat (+1,6%), vegetables (+1,2%), grain products (+1,1%), sugar (+1,0%), fats and oils (+0,7%), milk, cheese and eggs (+0,7%), fish and other seafood (+0,7%), coffee, tea and cocoa (+0,3%) and "other" food products (+0,3%) (cf. table 16, p. 18).

#### Price index for non-food items

The price index for non-food items shows an annual rate of increase of 12,4% at January 2003 (i.e. the non-food index at January 2003 compared with that at January 2002). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 13,0% at December. From December 2002 to January 2003 this index increased by 1,1% and the seasonally adjusted index increased by 0,3%.

Relatively large annual increases occurred in the price indices for housing (+27,0%), non-alcoholic beverages (+11,3%), cigarettes, cigars and tobacco (+11,3%), medical care and health expenses (+10,7%), personal care (+9,9%), furniture and equipment (+9,0%), communication (+8,4%) and alcoholic beverages (+8,2%) (cf. table 16, p.18).

Relatively large monthly increases occurred in the price indices for communication (+ 8,3%), medical care and health expenses (+ 5,8%), reading matter (+ 1,6%), housing (+ 1,0%), fuel and power (+ 0,9%) and non- alcoholic beverages (+ 0,6%). These monthly increases were partially counteracted by a monthly decrease in the price index for transport (- 1,2%, mainly due to a decrease of 18c/l in the petrol price) (cf. table 16, p. 18).

## 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 January 2003 and the average index of the previous three months. This approach, when using seasonally adjusted data shows an increase of 12,7% (which is 3,4 percentage points lower than the corresponding rate of 16,1% for December 2002), while the unadjusted data shows an increase of 10,7%, (which 2,1 percentage points lower than the corresponding rate of 12,8% for December 2002).

#### Areas indices

The Witwatersrand area recorded the highest annual inflation rate of 15,3%, while the lowest annual inflation rate of 8,4% was recorded for the other urban areas in the Free State (cf. table 21, p. 23).

Regarding food prices, the highest annual inflation rate of 25,8% was recorded for the other urban areas in the Eastern Cape, while the Pretoria/Centurion/Akasia and Witwatersrand areas recorded the lowest annual increase of 13,9% (cf. table 22, p. 24).

#### **Pensioners**

The other urban areas of the Eastern Cape, recorded the highest annual rate of increase of 15,3%, while the lowest annual rate of increase of 8,7% was recorded for the other urban areas in the Free State (cf. table 27, p. 28).

#### **NOTES**

Forthcoming	Issue	<b>Expected date for publication</b>
issues	February 2003	18 March 2003
	March 2003	15 April 2003
	April 2003	20 May 2003
	May 2003	17 June 2003
	June 2003	15 July 2003
	July 2003	19 August 2003

# 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, the most recent addition to the CPI suite, is included in this release (cf. table 2.2, p. 13).

Stats SA releases detailed figures on the CPIX (cf. tables 17 and 18 on pages 19 and 20). 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 data on national accounts, the analytical accounts of the banking sector, the analytical accounts of the central bank, general government operations, consolidated government operations, 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, the production price index, consumer price index, labour market and population.

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 ROCS 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 draft data ROSC for South Africa that will be finalised during the third quarter of 2001. This ROSC will indicate to which extent South Africa has observed the IMF's requirements.

Table 1- Expenditure group and area indices of the Consumer Price Index and percentage change for the historical metropolitan areas

metropolitan areas

		Indices (2000=100)		Percentage change between			
Expenditure group/Area indices	Jan	       Dec	       Jan	I   I	Jan 2002     and   Jan 2003		
	2002	2002	2003	   Actual     %	Seasonally adjusted %	Actual     %	
  Expenditure group indices		 					
Very low expenditure	111,8	   126,6 	127,7	+0,9	+0,6	+14,2	
Low expenditure	112,5	   127,4 	128,7	+1,0	+0,6	+14,4	
   Middle expenditure 	111,5	   125,6 	   126,9 	+1,0	+0,6	+13,8	
   High expenditure 	110,9	   124,9 	   126,4 	+1,2	+0,4	+14,0	
Very high expenditure	108,1	   121,3 	   122,6 	+1,1	+0,2	+13,4	
All expenditure groups - Historical metropolitan areas Historical metropolitan and	109,0	122,6	123,9	1)	+0,3	+13,7	
other urban areas	108,9	122,2	123,5	+1,1	+0,3	+13,4	
CPI excluding interest rates on mortgage bonds (CPIX) - Historical metropolitan areas Historical metropolitan and other urban areas	111,6	123,3	124,9	+1,3	+0,5	+11,9	
Core index -   Historical metropolitan areas   Historical metropolitan and	111,2	   122,4 	   123,9 	+1,2	+0,5,	+11,4	
other urban areas	110,7	121,4	122,8	+1,2	+0,6	+10,9	
Food only index -   Historical metropolitan areas   Historical metropolitan and	114,1	130,3	131,8	+1,2	+0,4	+15,5	
other urban areas	113,9	131,8	133,3	+1,1	+0,6	+17,0	
CPI excluding food - Historical metropolitan areas Historical metropolitan and	107,8	     120,7	122,0	+1,1	+0,4	+13,2	
other urban areas	107,7	119,8	121,1	+1,1	+0,3	+12,4	
CPI excluding VAT -     Historical metropolitan areas     Historical metropolitan and	109,0	     122,6	123,9	1)	+0,3	1)	
other urban areas	108,9	122,2	123,5	+1,1	+0,3	+13,4	

<sup>1)</sup> 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.	<u> </u>	
Index    2001   % 1)	103,8  104,1  + 7,1  + 7,8	104,8  105,3  + 7,4  + 6,5	105,7  106,2  + 6,4  + 6,3	106,1  105,9  106,2  + 5,3  + 4,6  + 4,4	106,1  106,6  107,2  105,7   + 4,0  + 4,3  + 4,6  + 5,7 2	2)	
Index    2002   % 1)	109,0  110,4  + 5,0  + 6,1	111,7  113,7  + 6,6  + 8,0	114,6  115,6  + 8,4  + 8,9	117,3   118,2   119,5   10,6   11,6   12,5	121,5  122,1  122,6  116,4   14,5  14,5  14,4  10,1 2	2)	
Index    2003   % 1)	123,9   13,7	::  ::	::  ::	 		2)	

Table 2.2 - The Consumer Price Index excluding interest rates on mortgage bonds 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.
2001	Index  % 1)	103,8 + 7,7	104,1	104,9	105,4 + 6,7	105,9 + 6,5	106,3 +6,4	107,3 +6,4	107,3 +6,0	107,6 + 5,8	108,1  + 5,9	108,6 +6,3	109,3	106,6   + 6,6 2
2002	Index   % 1)	111,2 +7,1	111,9 + 7,5	113,3	114,7	115,6	116,7 + 9,8	118,0	118,9	120,3 11,8	121,6 12,5	122,4	122,8	117,3   10,0 2
2003	Index  % 1)	124,3 11,8			· ·   · ·	· ·	 		 	 	· ·	· ·		   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 | Contribution at | December 2002 January 2003 \_\_\_\_\_ -----i 3.4 Food 3.6 Non-alcoholic beverages 0,3 0,3 Alcoholic beverages 0,1 0,1 Cigarettes, cigars and tobacco Clothing and footwear 0,1 0,1 0.1 0,1 6,2 Housing 6,0 Fuel and power Furniture and equipment Household operation Medical care and health expenses 0,2 0,2 0.2 0,2 1,0 0,7 Transport 1,5 Communication 0,1 0.3 Recreation and entertainment 0.1 0.1 Education 0,2 Personal care 0,4 0,4 Other 0,3 0,2 All groups 14,4 13,7

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

Group	Contribution at   December 2002	Contribution at January 2003		
Food	0,1	0,3		
Housing	0,3	0,3		
Transport	-0,1	-0,1		
Medical care and health expenses	0,0	0,4		
Communication	0,0	0,2		
Personal care	0,1	0,0		
All groups	0,4	1,1		

Table 5 - Contributions of different groups to the annual percentage change in the CPI for the historical metropolitan and other urban areas  ${}^{\circ}$ 

Group	Contribution at   December 2002	Contribution at   January 2003
Food	4,3	4,2
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	0,2	0,1
Housing	5,2	5,4
Fuel and power	0,2	0,2
Furniture and equipment	0,2	0,2
Household operation	0,2	0,2
Medical care and health expenses	1,0	0,9
Transport	1,4	0,9
Communication	0,1	0,2
Recreation and entertainment	0,1	0,1
Education	0,2	0,1
Personal care	0,4	0,4
Other	0,2	0,2
All groups	14,0	13,4

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   December 2002	Contribution at January 2003
Food	0,1	0,3
Housing	0,2	0,3
Medical care and health expenses	0,0	0,4
Communication	0,0	0,2
Transport	-0,1	-0,1
Personal care	0,1	0,0
All groups	0,3	1,1

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

Group	Contribution at   December 2002	Contribution at     January 2003
Food	4,0	3,8
Non-alcoholic beverages	0,2	0,2
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	0,1	0,1
Housing	3,4	3,6
Fuel and power	0,2	0,2
Furniture and equipment	0,3	0,3
Household operation	0,2	0,2
Medical care and health expenses	1,1	1,0
Transport	1,7	1,2
Communication	0,1	0,3
Recreation and entertainment	0,1	0,1
Education	0,3	0,1
Personal care	0,5	0,4
Other	0,2	0,2
All groups	12,6	11,9

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

Group	Contribution at   December 2002	Contribution at     January 2003
Food   Housing   Medical care and health expenses   Communication   Transport	0,1 0,3 0,0 0,0 -0,1	0,4 0,4 0,4 0,3 -0,2
All groups	0,3	1,3

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   December 2002	Contribution at     January 2003
Food	4,7	4,5
Non-alcoholic beverages	0,2	0,2
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	0,2	0,1
Housing	2,7	2,9
Fuel and power	0,2	0,3
Furniture and equipment	0,3	0,3
Household operation	0,2	0,2
Medical care and health expenses	1,1	0,9
Transport	1,4	1,0
Communication	0,1	0,3
Recreation and entertainment	0,1	0,1
Education	0,3	0,1
Personal care	0,5	0,5
Other	0,2	0,2
All groups	12,4	11,8

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   December 2002	Contribution at     January 2003
Food Housing Medical care and health expenses Communication Transport	0,1 0,3 0,0 0,0 -0,1	0,3 0,3 0,5 0,2 -0,1
All groups	0,3	1,2

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

| Contribution at | Contribution at | Group December 2002 January 2003 1,8 1,7 0,2 0,3 0,2 0,2 Non-alcoholic beverages Alcoholic beverages Cigarettes, cigars and tobacco 0,2 0,2 Clothing and footwear 0,2 0,2 Housing 3,6 4,7 Fuel and power 0,3 0,2 Furniture and equipment 0,3 Household operation 0,3 Medical care and health expenses 1,3 0,8 Transport 2,0 1,4 Communication Recreation and entertainment 0.2 0,1 0.4 0.2 Education Personal care 0,6 0,5 -----i--All groups 12,2 11,4

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

Group	Contribution at     December 2002	Contribution at     January 2003
Food Housing Medical care and health expenses Communication Transport Personal care	0,0 0,3 0,0 0,0 -0,1 0,1	0,1 0,4 0,6 0,3 -0,2 0,0
All groups	0,3	1,2

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   December 2002	Contribution at     January 2003
Food	2,5	2,4
Non-alcoholic beverages	0,2	0,2
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,2	0,2
Clothing and footwear	0,2	0,3
Housing	2,9	3,6
Fuel and power	0,3	0,3
Furniture and equipment	0,4	0,3
Household operation	0,3	0,3
Medical care and health expenses	1,3	0,8
Transport	1,7	1,3
Communication	0,2	0,2
Recreation and entertainment	0,1	0,1
Education	0,4	0,1
Personal care	0,5	0,5
Other	0,2	0,1
All groups	11,6	10,9

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   December 2002	Contribution at   January 2003
Food Housing Medical care and health expenses Communication Transport	0,0 0,3 0,0 0,0 -0,1	0,2 0,3 0,6 0,3 -0,2
All groups	0,2	1,2

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

Indices (2000=100) between Group/Product |Weights|-----Jan 2002 Dec 2002 Jan Dec 2002 2002 Jan 2003 and | and | Jan 2003 ------| 100,00 109,0 122,6 123,9 CPI: All items +1,1 +13,7 111,8 126,6 127,7 112,5 127,4 128,7 111,5 125,6 126,9 110,9 124,9 126,4 108,1 121,3 122,6 Expenditure groups - Very low 0,91 +0,9 +14,2 +1,0 +1,0 +1,2 1,76 6,36 LOW +14,4 Middle +13.8 High 14,57 +1,2 Very high 76,40 +1,1 +13,4 Commodities 57,14 110,1 121.5 121.9 +0,3 +10.7 121,9 123,7 Services 42,86 107,4 +2,1 +17,6 CPI: All items, excluding housing 110,8 120,5 77,86 119,3 +1,0 +8,8 107,8 120,7 CPI: All items, excluding food 79,01 122,0 +1,1 +13,2 20,99 | 114,1 130,3 131,8 +1,2 Food +15,5 113,3 114,5 114,5 114,3 131,6 132,1 131,6 131,0 129,8 132,8 133,3 132,9 132,4 131,4 Expenditure groups - Very low 51.39 +0.9 +17.2 49,01 43,39 Low +0,9 +16,4 Middle +1,0 +16,1 33,07 High +15.8 Very high 15,82 114.0 129.8 +1.2 +15.3 128,7 129,5 +0,6 132,2 134,6 +1,8 11,91 113,1 115,1 +14.5 Processed Unprocessed +1,8 +16.9 131,2 139,9 128,5 137,7 133,1 123,7 125,9 122,4 121,0 125,3 129,7 137,6 127,3 137,1 132,0 121,2 109,8 Grain products 3.81 +1,2 +19.5 119,2 5,66 +1,7 +17,4 Meat Fish and other seafood 0,69 116,3 +0,9 +10,5 Milk, cheese and eggs 1,96 117,2 +0,4 +17.5 Fats and oils 0.76 115.4 +0.8 +15.3 Fruit and nuts 1,09 112,0 +2,1 +10.4 113,1 123,4 Vegetables 2,00 +2,0 +11,3 0,50 1,07 121,3 120,7 +0,9 +0,2 Sugar 109.7 +11,6 Coffee, tea and cocoa 109.1 +10,9 Other 3,45 109,9 125,0 +0,2 +14,0 111,0 123,6 118,1 1.10 İ 124.7 +0.9 Non-alcoholic beverages +12.3 1,40 109,1 118,2 +0,1 Alcoholic beverages +8,3 Cigarettes, cigars and tobacco 1,14 115,8 127.9 128,1 +0,2 +10,6 3,25 | 97,1 2,04 | 97,4 1,21 | 95,9 100,6 100,8 +0,2 Clothing and footwear +3,8 Clothing 101,4 +0,2 +4,1 Footwear 98,7 99,0 +0,3 +3,2 Housing 22,14 102.9 131.8 133.5 +1.3 +29.7 102,9 131,8 133,5 | 112,4 116,6 118,3 | +1,5 Fuel and power 3,49 +5,2 106,4 116,4 116,4 108,6 117,9 117,9 108.7 120,7 120,7 0.0 Furniture and equipment 2,53 +9,4 0,95 0,0 +8,6 Furniture 0,80 0,0 Appliances +11,0 Other household equipment and 0.78 İ 110.0 110.0 0.0 textiles 101.4 +8.5 113,5 113,8 122,3 123,0 110,3 110,4 107,9 108,3 Household operation 4,82 109,7 +0,3 +3,7 1,25 Household consumables 112,3 +0,6 +9,5 Domestic workers 108.8 +0.1 +1.5 Other household services 0,09 Medical care and health expenses 7.15 123.0 128.6 136.1 +5.8 +10.7 116,4 119,4 117,6 116,3 133,6 106,6 14,84 108,7 117,9 -1,3 +7,1 Transport Vehicles 5,95 7,05 109,9 119,4 0,0 +8,6 +7,0 Running cost 109.9 120,8 -2,6 121,7 -4,4 +7,1 Petrol 108,6 115,4 Diesel 132,4 +0,9 +15,8 Public and hired transport 1.84 104.6 106.6 0,0 +1.9 119,9 106,2 120,3 121,2 122,6 108,7 111,0 106,2 118,3 121,2 Communication 2,98 111,0 +8,0 +8,0 0,0 +1,7 0,0 Recreation and entertainment 3,31 103,7 +2,4 0,39 3,48 112.8 Reading matter +6,6 Education 120,0 +1,0 +0,2 Personal care 111,7 108,6 3,32 102.2 Other +6,4

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

Indices Percentage change (2000=100) Group/Product Dec 2002 Jan 2002 and Jan and Jan | Dec | | 2002 | 2002 2003 Jan 2003 Jan 2003 CPT: All items 122,2 100,00 108.9 123,5 +1.1 +13.4 1,39 111.9 127,6 128,7 +0.9 +15,0 Expenditure groups - Very low Low 2,26 111,5 126,7 127,9 +0,9 +14,7 Middle 126,3 8,11 110.8 125,1 +1,0 +14,0 16,96 125,1 High 110.4 123,7 +1.1 +13.3 Very high 71,28 108,1 121,0 122,3 +1,1 +13,1 Commodities 59,42 110.0 122.3 122.7 +0.3 +11.5 40,58 107.7 122,5 125,1 +2,1 +16,2 Services 110,5 CPI: All items, excluding housing 79,30 119,8 121,1 +1,1 +9,6 107,7 CPI: All items, excluding food 76,98 119.8 121.1 +1.1 +12,4 Food 23,02 113.9 131.8 133.3 +1.1 +17.0 51,24 112,7 132,9 134,0 +0,8 +18,9 Expenditure groups - Very low 49,72 113,3 132,8 133,9 +0.8 +18.2 Low Middle 43,93 113.8 133,1 134,3 +0,9 +18,0 High 33,68 114,1 132,5 133,9 +1,1 +17,4 Very high 16,69 +1,2 129.2 Processed 12.81 113.1 130.0 +0.6 +14.9 Unprocessed 10,21 114,8 135,1 137,4 +1,7 +19,7 133,4 141,8 133,6 137,4 132,6 128,5 126,0 123,5 121,3 127,6 Grain products 4,34 109.9 132.0 +1.1 +21.4 Meat. 6,23 0,70 119.0 139,5 132,7 +1,6 +19,2 Fish and other seafood +0,7 118,3 +12,9 Milk, cheese and eggs 2,10 116,8 136,5 +0,7 +17,6 Fats and oils 0,84 115.7 131.7 +0,7 +14.6 124,8 +3,0 Fruit and nuts 1,13 112.1 +14.6 2,18 124,5 Vegetables 111,4 +1,2 +13,1 +12,6 0,62 109,7 122,3 +1,0 Sugar 1,14 Coffee, tea and cocoa 108.5 120,9 +0.3 +11.8 127,2 111.3 Other +0.3 +14.6 Non-alcoholic beverages 1,13 110.5 122,3 123.0 +0.6 +11.3 Alcoholic beverages 1.52 108.9 117.7 117.8 +0.1 +8.2 117,2 130,1 130,5 +0,3 Cigarettes, cigars and tobacco 1,21 +11,3 99.5 99.8 95.8 +0.3 +4.2 Clothing and footwear 3.64 Clothing 2,27 96,7 100,2 100,6 +0,4 +4,0 Footwear 1,37 94,1 97,9 98,3 +0,4 +4,5 20,70 103.8 130.5 131.8 +1.0 +27.0 Housing Fuel and power 3,84 110.7 116,3 117,4 +0,9 +6,1 2,82 106,1 115,5 115.6 +0.1 +9.0 Furniture and equipment 107.7 Furniture 1,08 116.9 116.9 0.0 +8.5 Appliances 0,84 119,5 119,5 0,0 +9,5 Other household equipment and 109.7 109.7 0.0 textiles 0.90 101.0 +8.6 4,68 110,6 115,2 115,6 +0,3 +4,5 Household operation 125,4 Household consumables 113,6 124,6 +0,6 +10,4 1,34 Domestic workers 3.22 109.5 111.5 111.7 +0.2 +2.0 Other household services 106,1 0.12 108.0 108.7 +0,6 +2.5 Medical care and health expenses 6,90 122,8 128,5 136,0 +5,8 +10,7 13,72 107,9 116,6 115,2 -1,2 +6,8 Transport +8,6 Vehicles 5,11 108,0 117,2 117,3 +0,1 Running cost 6,56 109,5 119,9 117,0 -2,4 +6,8 114.3 -4.0 Petrol 107,1 119,1 +6,7 +57,0 117,4 Diesel 176,1 184,3 +4,7 Public and hired transport 2,05 103,9 105,5 105,5 0,0 +1,5 +8.3 +8.4 Communication 2.86 111.2 120.4 111.1 Recreation and entertainment 3,04 103,4 105,6 105,7 +0,1 +2,2 Reading matter 0,36 112,6 117,6 119,5 +1,6 +6,1 Education 3,38 120.5 121.8 121.8 0.0 +1.1 3,92 123,0 123,3 +0,2 Personal care 112,2 +9,9 +6,8

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

Indices Percentage change (2000=100) Group/Product |Weights|------Dec 2002 Jan 2002 
 Jan
 Dec
 Jan
 and
 and

 2002
 2002
 2003
 Jan 2003
 Jan 2003
 Jan 2002 CPI: All items 100.00 111.6 123.3 124.9 +1,3 +11.9 0,91 112,2 126,9 128,0 +0,9 Expenditure groups - Very low 1,76 112,9 127,7 129,0 +1,0 +14,3 126,7 126,2 Middle 6,36 14,57 112,7 112,7 128,2 127,8 +1,2 +13.8 High +1.3 +13.4 Very high 76,40 111,4 122,4 123,9 +1,2 +11,2 64.50 110.1 121.6 121.9 +0.2 Commodities +10.7 126,3 129,9 35,50 114.0 +2,9 Services +13,9 111,0 CPI: All items, excluding housing 87,90 119,8 121,1 +1,1 +9.1 111,0 CPI: All items, excluding food 76,29 121,6 123,1 +1.2 +10,9 Food 23,71 114.1 130.4 131.9 +1.2 +15.6 51,39 113,3 131,7 132,8 +0,8 +17,2 Expenditure groups - Very low 132,0 49,01 +0,9 114,5 133,2 +16,3 Middle 43,39 114,5 131,7 133.0 +1,0 +16,2 Hiah 33,07 114.2 130.8 132.2 +1.1 +15.8 Very high 15,82 +1,2 Processed 13.45 113.1 128.7 129.5 +0.6 +14.5 Unprocessed 10,26 115.1 132.3 134.6 +1.7 +16.9 131,1 139,9 128,5 137,9 133,1 123,7 125,8 122,4 121,0 125,3 Grain products 4,31 109.8 129,7 131,1 +1,1 +19,4 6,40 0,76 2,21 Meat. 119,2 137,6 +1,7 +17,4 Fish and other seafood 127.3 +0.9 +10.5 116.3 Milk, cheese and eggs 117,3 137,3 +0,4 +17,6 Fats and oils 0,86 115,4 132,1 +0,8 +15,3 1,23 Fruit and nuts 112.0 121,3 +2,0 +10.4Vegetables 123,4 113,1 +1.9 +11.2 0,57 109,7 121,3 +0,9 +11,6 +10,9 Coffee, tea and cocoa 1,21 109,1 120,7 +0,2 3.90 125.0 Other 109.9 +0.2 +14.0 111,0 123,6 Non-alcoholic beverages 1.24 124.7 +0.9 +12.3 Alcoholic beverages 1,58 109,1 118,1 118,2 +0,1 +8,3 115,8 127,9 128,1 +0,2 +10,6 Cigarettes, cigars and tobacco 1,29 97.0 100.5 +0.2 100.7 +3.8 Clothing and footwear 3.67 Clothing 2,31 97,5 101,3 101,5 +0,2 +4,1 Footwear 1,36 95,9 98,7 +0,3 +3,2 12,10 116.5 146.8 150.0 +2.2 +28.8 Housing Fuel and power 112,4 116,6 118,3 3,94 +1,5 +5,2 106.4 116,4 116.4 0.0 Furniture and equipment 2,86 +9.3 108.6 Furniture 1,08 117,9 117.9 0.0 +8,6 0,90 108,7 120,7 120,7 0,0 +11,0 Appliances Other household equipment and textiles 0,88 101.4 110.0 110.0 0,0 +8.5 Household operation 5,45 109,8 113,6 113,9 +0,3 +3,7 Household consumables 1,42 112,2 122,2 122,9 +0,6 +9,5 Domestic workers 3,93 108.8 110.3 110.4 +0,1 +1.5 Other household services 105.8 0,10 107.8 108.2 +0,4 +2.3 Medical care and health expenses 8,07 124,3 129,9 137,5 +5,9 +10,6 16,75 108,8 118,0 116,4 -1,4 +7,0 Transport Vehicles 6,72 110,0 119,5 119,6 +0,1 +8,7 7,96 Running cost 109,9 120,8 117,6 -2,6 +7,0 Public and hired transport 2,07 104.6 106.6 106.6 0.0 +1.9 3,36 111,0 +8,0 Recreation and entertainment 3,73 103,7 106,2 106,3 +0,1 +2,4 0,43 3,93 +1.7 +6.7 Reading matter 112.8 118.4 120.4 120,0 121,3 121,3 0,0 Education +1,1 Personal care 122,6 +6,3 Other 3.75 102.2 108.5 108,6 +0.1

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		Indices (2000=100) hts			Percentage change between	
		Jan 2002	   Dec   2002	   Jan   2003	Dec 2002   and   Jan 2003	   Jan 2002   and   Jan 2003
CPI: All items	100,00	111,2	122,8	124,3	+1,2	+11,8
Expenditure groups - Very low	1,39	112,4	128,1	129,1	+0,8	+14,9
Low	2,26		127,3	128,5	+0,9	+14,7
Middle	8,11	111,6	125,8	127,0	+1,0	+13,8
High	16,96		124,8	126,3	+1,2	+13,0
Very high	71,28	111,0	121,6	123,1	+1,2	+10,9
Commodities	66,24	110,0	122,2	122,6	+0,3	+11,5
Services	33,76	113,5	123,9	127,4	+2,8	+12,2
CPI: All items, excluding housing	88,43	110,5	120,0	121,2	+1,0	+9,7
CPI: All items, excluding food	   74,34	110,5	120,4	121,8	+1,2	+10,2
Food	   25,66	113,9	131,9	133,3	+1,1	+17,0
T	į i	110 =	100 0			
Expenditure groups - Very low Low	51,24     49,72	112,7 113,3	132,9 132,9	134,1 134,0	+0,9	+19,0 +18,3
Middle	43,93		133,0	134,2	+0,8	+10,3
High	33,68	114,1	132,6	134,0	+1,1	+17,4
Very high	16,69	114,1	131,1	132,8	+1,3	+16,4
Processed Unprocessed	14,26 11,40	113,1 114,8	129,2 135,1	130,0 137,4	+0,6 +1,7	+14,9 +19,7
Grain products	4,84	109,9	132,0	133,4	+1,1	+21,4
Meat	6,95		139,5	141,8	+1,6	+19,2
Fish and other seafood	0,78		132,8	133,6	+0,6	+12,9
Milk, cheese and eggs	2,34		136,5	137,4	+0,7	+17,6
Fats and oils Fruit and nuts	0,93     1,26		131,7 124,7	132,6 128,5	+0,7	+14,6 +14,6
Vegetables	2,43		125,7	127,2	+1,2	+13,1
Sugar	0,69		122,3	123,6	+1,1	+12,7
Coffee, tea and cocoa	1,27		120,9	121,3	+0,3	+11,8
Other	4,17	111,3	127,2	127,6	+0,3	+14,6
Non-alcoholic beverages Alcoholic beverages	1,26	110,5 108,9	122,3 117,7	123,0 117,8	+0,6	+11,3 +8,2
ligarettes, cigars and tobacco	1,35	117,2		130,6	+0,4	+11,4
lothing and footwear	4,06	95,8	99,5	99,8	+0,3	+4,2
Clothing	2,53	96,7	100,2	100,6	+0,4	+4,0
Footwear	1,53	94,1	97,9	98,3	+0,4	+4,5
ousing	11,57	116,4	141,8	144,5	+1,9	+24,1
uel and power	4,28	110,7	116,4	117,4	+0,9	+6,1
urniture and equipment	3,15	106,1	115,6	115,6	0,0	+9,0
Furniture	1,21	107,7	116,9	116,9	0,0	+8,5
Appliances Other household equipment and	0,94	109,1	119,5	119,5	0,0	+9,5
textiles	1,00	101,0	109,7	109,7	0,0	+8,6
ousehold operation Household consumables	5,22     1,50	110,6 113,6	115,2 124,6	115,6 125,4	+0,3	+4,5 +10,4
Domestic workers	3,59	109,5	111,5	111,7	+0,0	+2,0
Other household services	0,13	106,1	108,0	108,7	+0,6	+2,5
edical care and health expenses	7,70	123,7	129,4	137,1	+6,0	+10,8
ransport	15,30	107,9	116,6	115,2	-1,2	+6,8
Vehicles	5,69	108,0	117,3	117,3	0,0	+8,6 +6.8
Running cost Public and hired transport	7,32   2,29	109,5 103,9	119,9 105,5	117,0 105,5	-2,4	+6,8 +1,5
	į į				+0 2	
ommunication ecreation and entertainment	3,19     3,39	111,1 103,4	111,1 105,6	120,3 105,7	+8,3 +0,1	+8,5 +2,1
eading matter	0,40	112,6	117,6	119,4	+1,5	+6,0
ducation	3,77	120,5	121,8	121,8	0,0	+1,1
Personal care	4,37   3,63	112,2 101,5	123,0 108,3	123,3 108,4	+0,2	+9,9 +6,8

'able 19 - Consumer Price Index group and product indices according to COICOP1) and percentage change for the historical metropolitan areas

Indices Percentage change (2000=100)between Group/Product Dec 2002 Jan 2002 Jan | Dec 2002 | 2002 and | and Jan 2003 | Jan 2003 2003 109,0 122,6 123,9 CPI: All items 100.00 İ +1.1 +13.7 Expenditure groups - Very low 0,91 111,8 126,6 127,7 127,4 128,7 125,6 126,9 124,9 126,4 121,3 122,6 126,6 127.7 +0,9 +14,2 111,8 112,5 111,5 110,9 108,1 1,76 6,36 LOW +1,0 +14,4 Middle +1,0 +13.8 High 14,57 +1,2 +14,0 +13,4 Very high 76,40 +1,1 Commodities 57,14 110.1 121.5 121.9 +0,3 +10.7 126,3 Services 42,86 107,4 123,7 +2,1 +17,6 CPI: All items, excluding housing 110,8 119,3 120,5 77,86 +1,0 +8,8 107,8 120,7 CPI: All items, excluding food 80,08 122,0 +1,1 +13,2 Food, beverages and tobacco 24,63 | 114,1 129,7 131,0 +1,0 +14,8 Food excluding coffee, tea and cocoa i 19.92 i 114.2 130.5 132.0 +1.1 +15,6 131,2 139,9 128,5 137,7 133,1 123,7 125,9 122,4 125,3 Grain products 3,81 109,8 129,7 131,2 +1,2 +19,5 +17,4 Meat 5,66 119,2 137,6 +1,7 Fish and other seafood 0.69 116.3 127.3 +0.9 +10.5 Milk, cheese and eggs 1,96 0,76 117,2 137,1 +0,4 +17,5 Fats and oils +0,8 115,4 132,0 +15,3 Fruit and nuts 1,09 112,0 121,2 123,4 121,3 125,0 121,2 +2,1 113,1 Vegetables 2,00 +2,0 +11.3 Sugar 0.50 109.7 +0.9 +11.6 Other 3,45 109,9 +0,2 +14,0 120,8 121,0 124,7 118,2 120,3 120,7 123,6 Beverages 3,57 109.6 +0.4 +10.2 109,1 Coffee, tea and cocoa 1,07 +0,2 +10.9 Non-alcoholic beverages 1,10 111,0 +12.3 Alcoholic beverages 1,40 109,1 118,1 +0,1 +8,3 Tobacco 127,9 Cigarettes, cigars and tobacco 1,14 115,8 128,1 +0,2 +10,6 Clothing and footwear +0.2 +3.8 +0,2 Clothing +4,1 +0,3 +3,2 104,1 132.0 +1.2 Housing, water, electricity, gas and other fuels 25,63 130.4 132,0 133,5 118,3 +26.8 22,14 102,9 131,8 Housing +1,3 +29,7 Fuel and power 112,4 116,6 +1,5 +5,2 Furnishings, household equipment and routine maintenance of the house 7.35 108.7 115,3 115.5 +0,2 +6,3 116,4 117,9 120,7 115,5 116,4 117,9 120,7 Furniture and equipment 2,53 106,4 0,0 +9,4 Furniture 0,95 108,6 0,0 +8,6 Appliances 0.80 108.7 0.0 +11.0 Other household equipment and 108,8 105,9 110,0 113,8 123,0 110,4 108,3 textiles 0,78 110,0 0,0 +8,5 113,5 122,3 110,3 107,9 4,82 1,25 Household operation +0,3 +3,7 Household consumables +0,6 +9.5 Domestic workers +0.1 +1.5 Other household services 0,09 +0,4 7,15 | Health (Medical care and health expenses) 128.6 136.1 +5.8 +10.7 14,84 108,7 117,9 116,4 -1,3 +7,1 Transport Vehicles 5,95 7,05 109.9 119,4 120,8 119,4 117,6 0,0 -2,6 +8,6 Running cost 109.9 +7.0 108,6 121,7 116,3 -4,4 +7,1 115,4 Diesel 132,4 133,6 +0,9 +15,8 Public and hired transport 1.84 104.6 106.6 106.6 0,0 +1,9 106,2 118,3 109,7 106,2 120,3 Leisure, entertainment and culture 3,70 106.0 +0.5 +3.5 Recreation and entertainment 3,31 103.7 0.0 +2.4 Reading matter 0.39 112.8 +1.7 +6.6 121,2 121,2 3,48 120.0 0.0 +1,0 9,97 112,6 Miscellaneous goods and services 106,7 114,9 114,9 119,9 122,6 108,7 +0,4 +10,2 +8,0 +0,2 +0,1 2,98 Communication 111,0 111,0 +8,0 111,7 +9,8 Personal care 3,67 122.3

3,32

102.2

108.6

+0.1

+6.4

Other

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

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

Indices Percentage change (2000=100)between Group/Product |Weights|-----| Dec 2002 Jan 2002 
 Jan
 Dec
 Jan

 2002
 2002
 2003
 and and Jan 2003 Jan 2003 CPI: All items 100,00 108,9 122,2 123,5 +1,1 +13,4 127,6 126,7 125,1 123,7 121,0 128,7 127,9 126,3 125,1 122,3 +15.0 1.39 128.7 +0.9 Expenditure groups - Very low 111.9 LOW 2,26 111.5 127,9 +0,9 +14,7 8,11 Middle 110,8 +1,0 +14,0 16,96 110,4 High Very high 71,28 108.1 122,3 +1,1 +13.1 Commodities Services 40,58 107,7 122,5 125,1 +2,1 +16,2 79.30 110.5 119.8 CPI: All items, excluding housing 121.1 +1.1 +9.6 CPI: All items, excluding food 78,12 107.7 119.8 121.1 +1,1 +12,4 26,88 130,8 113,8 132,1 +1,0 +16,1 Food, beverages and tobacco Food excluding coffee, tea and cocoa 21,88 114.0 132,0 133,5 +1,1 +17,1 132,0 109,9 133,4 +1,1 +21,4 Grain products 4,34 133,6 137,4 132,6 128,5 126,0 123,5 127,6 Meat 6,23 119,0 139,5 141,8 +1,6 +19,2 0,70 +0,7 Fish and other seafood 118.3 132.7 +12,9 136.5 Milk, cheese and eggs 116.8 +17.6 115,7 Fats and oils 0,84 131,7 +0,7 +14,6 Fruit and nuts 1,13 112,1 124,8 +3,0 +14,6 Vegetables 2,18 111,4 124,5 +1,2 +13,1 Sugar 0,62 109.7 122.3 +1.0 +12.6 3,74 Other +0,3 +14,6 Beverages 3.79 109.2 119.9 +0.3 +10.1 Coffee, tea and cocoa 1,14 120,9 122,3 108.5 121.3 +0.3 +11.8 Non-alcoholic beverages 110,5 123,0 +0,6 +11.3 Alcoholic beverages 1,52 108,9 +0,1 117,7 117,8 +8,2 Tobacco 1,21 117,2 130,1 130,5 +0,3 +11,3 Cigarettes, cigars and tobacco Clothing and footwear 95.8 99.5 99.8 +0.3 +4.2 3.64 100,2 2.27 96.7 100.6 +0,4 Clothing +4.0 1,37 94,1 97,9 98,3 +0,4 +4,5 Housing, water, electricity, gas and other fuels 24,54 104.7 128.5 129.8 +1.0 +24.0 130,5 116,3 117,4 +27,0 20,70 103,8 +1,0 Housing Fuel and power 110.7 +0,9 +6,1 Furnishings, household equipment and routine 116,2 115,6 116,9 109,1 106,1 107,7 116,0 115,5 116,9 +6,5 maintenance of the house 7,50 +0,2 Furniture and equipment 2,82 +0,1 +9,0 Furniture 1,08 0.0 +8.5 Appliances 0,84 109,1 119,5 0,0 +9,5 Other household equipment and 109,7 | 115,6 | 125,4 | 111,7 | textiles 0.90 101 0 109 7 0.0 +8.6 Household operation 4,68 110,6 115,2 +0,3 +4,5 Household consumables 1,34 124,6 +0,6 113,6 +10,4 Domestic workers +0.2 +2,0 Other household services 0,12 106.1 108.0 108.7 +0.6 +2.5 Health (Medical care and health expenses) 6,90 122,8 128,5 136,0 +5,8 +10,7 Transport 13,72 107.9 116.6 115.2 -1.2 +6.8 108.0 117.2 117.3 +0,1 Vehicles 5,11 +8,6 109,5 119,9 117,0 Running cost 6,56 -2,4 +6,8 107,1 119,1 114,3 -4,0 +6,7 Petrol Diesel 117.4 176.1 184.3 +4.7 +57.0 Public and hired transport 2,05 0.0 103.9 105.5 105.5 +1.5 Leisure, entertainment and culture 3,40 105,8 108,6 109,1 +0,5 +3,1 Recreation and entertainment 3,04 0,36 103.4 105,6 105.7 +0.1 +2,2 117,6 Reading matter 112.6 119.5 +1,6 +6.1 Education 3,38 120.5 121,8 121,8 0.0 +1,1 Miscellaneous goods and services 10,04 106,7 112,7 115.1 +0,3 +10,1 Communication 2,86 111,1 111,2 120,4 +8,3 +8,4 123,0 Personal care 3,92 112.2 123.3 +0.2 +9.9 Other 3.26 101.5 108.3 108.4 +0.1 +6.8

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

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

	     		Indices (2000=100)		   Percenta   between	ige change
Urban area	Weights      	Jan 2002	   Dec   2002	   Jan   2003	Dec 2002   and   Jan 2003	Jan 2002   and   Jan 2003
Western Cape	17,62	109,9	123,9	125,3	+1,1	+14,0
Cape Peninsula	11,88		123,5	124,9	+1,1	+14,2
Other urban areas	5,74	110,2	123,8	125,3	+1,2	+13,7
Eastern Cape	5,40	109,3	123,4	124,7	+1,1	+14,1
Port Elizabeth/Uitenhage	2,28	109,2	123,2	124,4	+1,0	+13,9
East London	1,10	109,4	122,2	123,2	+0,8	+12,6
Other urban areas	2,02	109,4	124,0	125,7	+1,4	+14,9
Northern Cape	   1,01	110.7	123.9	125.4	+1,2	+13.3
Kimberley	0,41	112,0	124,9	126,7	+1,4	+13,1
Other urban areas	0,60	110,6	124,1	125,4	+1,0	+13,4
Free State	   4.79	107.5	116.6	117.8	+1.0	+9,6
Bloemfontein	1,59	. ,	117,8	118,9	+0,9	+11,3
Free State Goldfields	1,22	108.7	117,7	118,8	+0.9	+9,3
Other urban areas	1,98	107,3	114,9	116,3	+1,2	+8,4
KwaZulu-Natal	   20,47	109,4	122,1	123,4	+1,1	+12,8
Durban/Pinetown	7,19		121,4	123,0	+1,3	+12,3
Pietermaritzburg	1,34	110,4	124,1	124,6	+0,4	+12,9
Other urban areas	11,94	109,1	122,0	123,3	+1,1	+13,0
North West	2,61	108,2	119,4	120,9	+1,3	+11,7
Gauteng	   42,98	108,5	122,4	123,6	+1,0	+13,9
Pretoria/Centurion/Akasia	11,13	109,5	120,7	121,7	+0,8	+11,1
Witwatersrand	24,53	108,5	123,6	125,1	+1,2	+15,3
Other urban areas	7,32	108,0	121,5	122,2	+0,6	+13,1
Mpumalanga	   3,63	109,7	122,5	123,3	+0,7	+12,4
Nelspruit/Witbank	1,12	110,5	123,5	124,3	+0,6	+12,5
Other urban areas	2,51	109,5	122,1	123,0	+0,7	+12,3
Limpopo Province	   1,49	108,5	120.3	121.5	+1,0	+12.0
Polokwane (Pietersburg)	0,21	105,4	117,0	117,9	+0,8	+11,9
Other urban areas	1,28	108,8	120,4	122,0	+1,3	+12,1
CPI for the metropolitan and other urban areas	100,00	108,9	122,2	123,5	+1,1	+13,4
CPI for the		100.0	100.6	102.0		.12 5
metropolitan areas	64,02	109,0	122,6	123,9	+1,1	+13,7

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

	 		Indices (2000=100)	Percentage change between		
Urban area	Weights      	Jan 2002	   Dec   2002	Jan 2003	Dec 2002 and Jan 2003	Jan 2002   and   Jan 2003
Western Cape	   17,88	113,0	130,1	131,3	+0,9	+16,2
Cape Peninsula	10,85	114,8	131,0	132,2	+0,9	+15,2
Other urban areas	7,03	112,0	130,7	131,8	+0,8	+17,7
Eastern Cape	   5,56	112,8	137,0	139,0	+1,5	+23,2
Port Elizabeth/Uitenhage	2,28	115,2	137,1	138,9	+1,3	+20,6
East London	0,76	111,5	135,9	136,4	+0,4	+22,3
Other urban areas	2,52	112,1	138,5	141,0	+1,8	+25,8
Northern Cape	   1,21	113,0	129,9	131,6	+1,3	+16,5
Kimberley	0,43	117,3	132,2	135,2	+2,3	+15,3
Other urban areas	0,78	112,2	130,5	131,4	+0,7	+17,1
Free State	   4,92	113,7	129,1	131,5	+1,9	+15,7
Bloemfontein	1,51	117,6	137,6	139,9	+1,7	+19,0
Free State Goldfields	1,05	114,1	128,6	130,8	+1,7	+14,6
Other urban areas	2,36	113,2	126,3	129,0	+2,1	+14,0
KwaZulu-Natal	   21,35	118,6	140,1	142,4	+1,6	+20,1
Durban/Pinetown	6,78	118,2	139,0	141,6	+1,9	+19,8
Pietermaritzburg	1,68	117,9	138,1	138,9	+0,6	+17,8
Other urban areas	12,89	118,8	140,9	143,1	+1,6	+20,5
North West	2,72	112,3	131,2	135,1	+3,0	+20,3
Gauteng	   41,19	112,7	128,4	129,4	+0,8	+14,8
Pretoria/Centurion/Akasia	8,22	113,5	127,8	129,3	+1,2	+13,9
Witwatersrand	23,82	112,8	127,3	128,5	+0,9	+13,9
Other urban areas	9,15	112,1	132,3	132,2	-0,1	+17,9
Mpumalanga	   3,65	116,0	137,1	137,3	+0,1	+18,4
Nelspruit/Witbank	0,90	117,0	133,4	134,4	+0,7	+14,9
Other urban areas	2,75	115,8	138,5	138,5	0,0	+19,6
Limpopo Province	   1,52	115,2	134,3	136,3	+1,5	+18,3
Polokwane (Pietersburg)	0,13	116,3	137,0	138,1	+0,8	+18,7
Other urban areas	1,39	115,2	133,5	136,0	+1,9	+18,1
CPI for the						
metropolitan and other urban areas	100,00	113,9	131,8	133,3	+1,1	+17,0
CPI for the metropolitan areas	 	114,1	130,3	131,8	+1,2	+15,5

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

     	     	· · · · · · · · · · · · · · · · · · ·			Percenta between	age change
Urban area	  Weights    	Jan 2002	   Dec   2002	Jan 2003	Dec 2002 and Jan 2003	Jan 2002   and   Jan 2003
   Western Cape	   17,28	110,6	119,6	121,0	+1,2	+9,4
Cape Peninsula	11,27	111,0	119,7	121,1	+1,2	+9,1
Other urban areas	6,01	110,3	119,1	120,7	+1,3	+9,4
   Eastern Cape	   5,90	110.3	121.8	123,3	+1.2	+11.8
Port Elizabeth/Uitenhage	2,22	111,6	122,2	123,6	+1,1	+10,8
East London	i 1,60 i	110,9	119,6	120,7	+0,9	+8,8
Other urban areas	2,08	110,1	123,0	124,9	+1,5	+13,4
   Northern Cape	   0,73	110,4	120,5	122,1	+1,3	+10,6
Kimberlev	0,11	112,7	121,1	123,2	+1,7	+9,3
Other urban areas	0,62	110,2	120,8	122,1	+1,1	+10,8
   Free State	   4,87	107,9	114,8	116,3	+1,3	+7,8
Bloemfontein	1,46	108,8	116,7	118,1	+1,2	+8,5
Free State Goldfields	1,26	109,3	116,6	117,8	+1,0	+7,8
Other urban areas	2,15	107,6	113,0	114,7	+1,5	+6,6
   KwaZulu-Natal	   20,43	111,5	122,5	124,2	+1,4	+11,4
Durban/Pinetown	7,09		121,3	123,2	+1,6	+10,7
Pietermaritzburg	1,36	111,5	123,3	123,9	+0,5	+11,1
Other urban areas	11,98	111,6	123,1	124,7	+1,3	+11,7
North West	2,59	110,3	121,1	122,9	+1,5	+11,4
   Gauteng	   42,97	110,4	118,5	119,5	+0,8	+8,2
Pretoria/Centurion/Akasia	i 11,28 i	110,7	117,6	118,6	+0,9	+7,1
Witwatersrand	24,08	110,5	118,7	119,8	+0,9	+8,4
Other urban areas	7,61	109,5	119,9	120,4	+0,4	+10,0
   Mpumalanga	   3,69	112,0	122,6	123,7	+0,9	+10,4
Nelspruit/Witbank	1,04	113,0	121,4	122,4	+0,8	+8,3
Other urban areas	2,65	111,7	123,2	124,3	+0,9	+11,3
   Limpopo Province	   1,54	108,1	116,9	118,3	+1,2	+9,4
Polokwane (Pietersburg)	0,17	108,3	115,4	116,6	+1,0	+7,7
Other urban areas	1,37	108,0	116,8	118,3	+1,3	+9,5
CPI for the				 		
metropolitan and other urban areas	100,00	110,5	119,8	121,1	+1,1	+9,6
CPI for the metropolitan areas	62,96	110,8	119,3	120,5	+1,0	+8,8

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

   	 		Indices		Percenta	ige change	
	i i		(2000=100)		between		
Urban area	Weights      	Jan 2002	   Dec   2002	Jan 2003	Dec 2002 and Jan 2003	Jan 2002   and   Jan 2003	
Western Cape	17,46	109,2	122,4	123,9	+1,2	+13,5	
Cape Peninsula	12,13		122,0	123,4	+1,1	+13,9	
Other urban areas	5,33	109,7	121,8	123,5	+1,4	+12,6	
   Eastern Cape	   5,31	108.4	119.5	120,6	+0.9	+11.3	
Port Elizabeth/Uitenhage	2,26	107,8	119,9	120,9	+0,8	+12,2	
East London	1,19	110,1	120,0	121,1	+0,9	+10,0	
Other urban areas	1,86	108,6	119,8	121,1	+1,1	+11,5	
   Northern Cape	   1,48	110,0	122,0	123,4	+1,1	+12,2	
Kimberlev	0,94	•	121,7	123,0	+1,1	+12,1	
Other urban areas	0,54	110,0	121,9	123,4	+1,2	+12,2	
   Free State	   4,72	105,5	112,6	113,5	+0,8	+7,6	
Bloemfontein	1,60	105,5	112,6	114,2	+0,8	+7,6	
Free State Goldfields	1,26	104,3	114,8	115,6	+0,8	+7,7	
Other urban areas	1,86	105,5	111,2	112,3	+1,0	+6,4	
   KwaZulu-Natal	   20,10	107,1	117,6	118,7	+0,9	+10,8	
Durban/Pinetown	7,27		117,6	119,0	+1,2	+10,6	
Pietermaritzburg	1,23	108,1	119,9	120,3	+0,3	+11,3	
Other urban areas	11,60	106,6	117,2	118,3	+0,9	+11,0	
North West	2,56	107,1	116,3	117,2	+0,8	+9,4	
Gauteng	   43,29	107,5	120.9	122,2	+1.1	+13.7	
Pretoria/Centurion/Akasia	11,93	•	119,2	120,2	+0,8	+10,6	
Witwatersrand	24,62	107,5	122,8	124,4	+1,3	+15,7	
Other urban areas	6,74	107,4	119,5	120,4	+0,8	+12,1	
   Mpumalanga	   3,61	108,0	118,5	119,5	+0,8	+10,6	
Nelspruit/Witbank	1,18	109,1	121,4	122,1	+0,6	+11,9	
Other urban areas	2,43	107,8	117,7	118,8	+0,9	+10,2	
Limpopo Province	   1,47	106,9	116,8	117,9	+0,9	+10,3	
Polokwane (Pietersburg)	0,23	103,4	113,2	114,1	+0,8	+10,3	
Other urban areas	1,24	107,3	117,3	118,6	+1,1	+10,5	
  CPI for the	 						
metropolitan and other urban areas	100,00	107,7	119,8	121,1	+1,1	+12,4	
CPI for the  metropolitan areas	65,85	107,8	120,7	122,0	+1,1	+13,2	

Table 25 - Seasonally adjusted group and product indices of the Consumer Price Index (Metropolitan areas) Base : CPI 2000 = 100

Base : CF1 2000 = 100							
Group/Product	    Weights	Aug 2002	Sep 2002	       Oct   2002	       Nov   2002	     Dec   2002	       Jan   2003
CPI: All items	100,00	117,1	118,3	120,7	121,8	122,5	122,9
Expenditure groups - Very low Low Middle High Very high	0,91 1,76 6,36 14,57 76,40	120,9 121,4 119,7 119,0 116,2	123,1 123,5 121,8 120,9 117,3	125,2 125,7 123,8 122,8 119,8	125,7 126,3 124,6 124,0 120,8	126,8 127,3 125,6 125,0 121,5	127,5 128,1 126,3 125,5 121,8
CPI: All items excluding food	79,01	107,4	108,4	110,6	111,6	112,2	112,6
Commodities	57,14	117,4	119,3	120,8	121,5	122,0	122,2
Food	20,99	125,1	127,4	129,8	130,6	131,2	131,7
Food and non-alcoholic beverages Alcoholic beverages, cigarettes, cigars and tobacco	22,09	124,9 120,5	127,1 121,9	129,2 122,6	130,4 123,4	131,1 124,2	131,5 124,6
Clothing and footwear Furniture and equipment Vehicles Other transport commodities Other commodities	3,25 2,53 5,95 3,51 17,27	98,5 111,6 115,5 119,7 118,3	99,7 114,0 117,2 120,0 120,7	100,5 114,6 118,3 122,5 122,0	100,1 115,2 118,7 124,3 122,2	100,6 115,6 119,2 123,2 123,1	100,8 115,9 118,3 121,9 123,9
Services	42,86	116,7	117,4	120,9	122,3	123,6	124,1
Housing and domestic workers Transport Other services	25,62 3,38 13,86	119,8 107,4 114,9	120,8 107,4 115,4	126,5 107,7 116,8	128,4 108,1 117,8	130,2 108,7 118,6	131,1 108,4 118,8
CPI: All items excluding VAT	100,00	117,1	118,3	120,7	121,8	122,5	122,9
CPIX	100,00	118,2	120,0	121,6	122,6	123,4	124,0

Table 26 - Seasonally adjusted group and product indices of the Consumer Price Index (Metropolitan and other urban areas)

Base : CPI 2000 = 100

	Base	: CPI 200					
Group/Product	      Weights  	Aug   2002	Sep 2002	     Oct   2002	       Nov   2002	     Dec   2002	     Jan   2003
CPI: All items	100,00	117,2	118,5	120,6	121,7	122,5	122,9
Expenditure groups - Very low Low Middle High Very high	1,39 2,26 8,11 16,96 71,28	122,0 121,0 119,5 118,2 116,2	124,3 123,1 121,5 120,1 117,3	126,2 125,0 123,4 121,9 119,4	127,2 126,2 124,6 123,0 120,6	128,1 127,1 125,4 123,9 121,3	128,9 127,9 126,0 124,4 121,5
CPI: All items excluding food	76,98	114,9	116,0	118,2	119,2	119,8	120,2
Commodities	59,42	117,9	119,7	121,1	122,0	122,6	122,9
Food	23,02	126,2	128,6	131,1	132,2	132,7	133,5
Food and non-alcoholic beverages Alcoholic beverages, cigarettes, cigars and tobacco	24,15   2,73	125,9 121,2	128,2 122,8	130,6 123,7	131,8 124,5	132,5 125,3	133,2 125,8
Clothing and footwear Furniture and equipment Vehicles	3,64   2,82   5,11	97,5 111,4 113,6	98,7 113,6 115,0	99,3 114,1 116,0	99,3 114,6 116,6	100,1 114,7 117,1	100,2 115,0 116,5
Other transport commodities Other commodities	5,14	117,4	118,8 118,6	121,2 119,0	122,9 119,8	122,2	120,0
  Services		116,3	116,9	120,1	121,3	122,4	122,9
Housing and domestic workers Transport Other services	23,92 3,47 13,19	118,4 106,4 114,7	118,9 106,5 115,6	123,9 106,7 116,1	125,5 107,2 116,7	127,3 107,9 116,6	128,1 108,6 116,5
CPI: All items excluding VAT	100,00	117,2	118,5	120,6	121,7	122,5	122,9
  CPIX		117,9	119,6	121,1	122,1	122,9	123,5

Table 27 - Consumer Price Index for pensioners and percentage change according to urban area

Indices Percentage change (2000=100) between Urban area | Dec 2002 | Jan 2002 and and Jan Dec Jan 2003 2002 2002 Jan 2003 Jan 2003 111,6 123,4 124,9 111,6 123,4 125,0 111,5 123,2 124,7 20,00 12,55 +1,2 +11,9 Western Cape Cape Peninsula +1.3 +12.0 +14,9 Other urban areas 7,45 +1.2 125,0 126,5 126,1 127,4 124,4 125,8 124,8 126,6 110,1 111,1 110,3 109,8 6,08 | 3,06 | 0,62 | Eastern Cape +1,2 127,4 125,8 126,6 Port Elizabeth/Uitenhage +1,0 East London +1.1 Other urban areas 2,40 +1,4 +12,4 124,8 126,5 123,0 125,1 125,9 127,3 1,57 112,5 112,2 112,5 Northern Cape +1,4 0,69 Kimberley +1,7 Other urban areas +1,1 +13,2 108,5 105,2 109,4 5,49 118,8 117,3 +1,3 +9,5 Free State 114,7 Bloemfontein 1,83 115,8 +1,0 +10,1 +10,6 Free State Goldfields 0,86 119,5 121.0 +1,3 116,5 108,7 Other urban areas 2,80 118,2 +1,5 +8,7 110,6 110,7 111,3 110,5 123,2 122,0 122,5 123,8 22,75 125,2 +1,6 +13,2 KwaZulu-Natal 124,6 123,4 Durban/Pinetown 7,03 +2,1 +12,6 +0,7 Pietermaritzburg 1,40 +10,9 14,32 Other urban areas 125,6 +1,5 +13,7 109,7 North West 2,40 120,2 122.3 +1.7 +11.5 110,3 110,4 110,7 109,3 121,4 Gauteng 37,69 122,8 +1,2 +11,3 Pretoria/Centurion/Akasia 11,35 121,1 +2,0 Witwatersrand 16,11 121,2 122,3 +0.9 +10.5 Other urban areas 10,23 121,6 122,2 +0,5 +11,8 111,6 113,4 111,3 Mpumalanga 2,41 125,1 125,9 +0,6 +12,8 Nelspruit/Witbank 0,26 126,0 127,6 +1,3 +12.5 2,15 125,0 125.7 +0,6 +12.9 Other urban areas 109,8 112,1 109,8 Limpopo Province 1,61 120,3 122,0 +1,4 +11,1 Polokwane (Pietersburg) 0,26 123.7 125,7 +1,6 +12.1 121,8 120.1 Other urban areas 1,35 +1.4 +10.9 CPI for the metropolitan and other urban areas|100,00 | 110.6 122.3 123.9 +1.3 +12.0

#### EXPLANATORY NOTES

#### Introduction

- This publication contains results of the monthly Survey of Consumer (Retail) Prices. The purpose of the survey is to collect and provide information regarding changes in the overall level of prices of all goods and services bought by the average household
- The indices are classified according to the International Trade Classification (as indicated in tables 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)

- 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.
- Every five years the results from this survey are used to identify the goods and services bought by a typical consumer or household and which should be included in the basket of goods and services used to monitor price changes.
- Furthermore, every five years the results from the Survey of Income and Expenditure of Households are used to determine the weights of the products/groups (indicator products) in the basket. The weights of a specific product/group is calculated by dividing the total amount spent by all households in South Africa on the specific product/group by the total amount spent on all goods and services by all households.

# 2000 Survey of Income and Expenditure of Households

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- Stats SA conducted the five-yearly Survey of Income and Expenditure of Households in October 2000 covering a sample of 30 000 households. The information obtained through this survey was weighted according to the 1996 Population Census figures in order to represent all households in South Africa.
- The 2000 Survey of Income and Expenditure of Households collected information regarding approximately 1 000 different goods and services groups .Stats SA made a further breakdown of these groups using supplementary sources. This process led to a list of approximately 1 500 groups on which the current calculation of the CPI is based.
- Based on the above-mentioned information for 2000 (cf. 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

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

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

# Weighting basis

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

15

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

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 14 metropolitan and 39 other urban areas in the nine provinces. The results of the survey are used to compile the Consumer Price Index, an economic indicator.

Prices of goods and services included in the CPI are collected as at any day between the first and the seventh of the month concerned. Although these prices are generally collected monthly (see list of items in paragraph 17), the prices of some items are collected quarterly (see list of items in paragraph 18), six monthly or annually (see list of items in paragraph 19). The collection of prices depends on the frequency at which these prices tend to change. However, if it comes to the attention of Stats SA that prices are about to change, these prices will be collected, even if it is not according to the normal collection schedule.

#### 17 Prices of items/products collected monthly:

- Bread.
- Meat.
- Milk.
- Vegetables and fruit.
- Other groceries.
- Alcoholic beverages.
- Sweets, non-alcoholic beverages, ice-cream and tobacco products.
- Clothing and footwear.
- Repairs of clothing, footwear and furniture.
- Interest rates on mortgage bonds.
- Coal and wood.
- New vehicles, repairs and services.
- Motor spare parts and accessories.
- Petrol.
- Diesel.

**18** Prices of items/products collected quarterly:

Items/products	Months of survey
Garden tools.	January, April, July and
Washing, ironing and dry-cleaning.	October
Sport equipment.	
<ul> <li>Reading matter and stationery.</li> </ul>	
<ul> <li>Tariffs of hairdressing services.</li> </ul>	
Ironware and crockery.	February, May, August and
New and retread tyres.	November
Furniture and equipment.	March, June, September and
<ul> <li>Household textiles.</li> </ul>	December
Electrical appliances and equipment.	
<ul> <li>Medical, toilet and photographic requisites and</li> </ul>	
services.	
<ul> <li>Motor vehicle insurance.</li> </ul>	

19 Prices of items/products collected annually:

<ul> <li>Doctor's and dentist's fees.</li> <li>Motor vehicle licence and registration fees.</li> <li>Toll-fees at toll-gates.</li> <li>School funds.</li> <li>University boarding and class fees.</li> <li>Parking fees.</li> <li>April</li> </ul>
<ul> <li>Toll-fees at toll-gates.</li> <li>School funds.</li> <li>University boarding and class fees.</li> <li>Parking fees.</li> <li>April</li> </ul>
<ul> <li>School funds.</li> <li>University boarding and class fees.</li> <li>Parking fees.</li> <li>April</li> </ul>
<ul> <li>University boarding and class fees.</li> <li>Parking fees.</li> <li>April</li> </ul>
Parking fees.     April
T 1 1 100
Telephone and postal tariffs.
<ul> <li>Public transport tariffs.</li> <li>June</li> </ul>
Property taxes.     July
Refuse removal.
Sanitary fees.
Newspapers and magazines.
<ul> <li>Entrance fees – drive-inns and bioscopes.</li> <li>August</li> </ul>
• Television licences; • October
Maintenance of graves; and
Rent of dwellings.

20	Prices of	fitems/	products	collected at	tother	times o	of the vear
40	1 11005 0	1 11011115/	products	conceicu ai	t Ouici	unics	n uic yeai

Items/products	Month of survey
• Winter clothing.	• March, April, May, June, July and August
Medicine	January and June
Contribution to medical aid	January, April and July
Property insurance	January and July
<ul> <li>Hospital fees</li> </ul>	
• Water	<ul> <li>January, July and August</li> </ul>
• Electricity	
Air transport fees	January and August
Dog licences	January, July and October

#### Classification

- The International Trade Classification (ITC) was used to classify the products and services contained in the basket of goods and services.
- A further classification of the products and services in the basket of goods and services, in line with international practices, was done according to the Classification of Individual consumption by Purpose (COICOP). The indices according to this classification are published in tables 19 and 20.

#### Statistical unit

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

## Survey methodology and design

- Different phases of sampling takes place. Firstly, a sample of goods and services, based on the Information collected through the Survey of Income and Expenditure of Households, is designed and selected. An indicator product is selected purposively within each product group. To be selected, a product should constitute a large quantity, at least 0,01% of total expenditure. Furthermore, it must be possible to obtain price quotations for the relevant product during the whole year. The sample of indicator products is revised every five years at which stage the weights of the indicator products/groups are also revised.
- Secondly, a geographical sample for price collection is designed and selected. Currently 13 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 39 "other urban areas" is sampled.
- Thirdly, for each of the 53 sample areas, a retail trade and service outlet sampling frame is constructed, based on available data sources, mainly the business register of Stats SA, telephone directories and lists obtained from the head offices of chain stores. The sample is purposively distributed geographically within areas. Specific retail trade and service outlets are selected randomly within each area. Prices are collected from department stores, as well as specialist shops. The sample of outlets is revised every five years when the weights are revised.
- Currently, an average of 110 000 price quotations are collected each month from approximately 2 200 outlets by means of 6 700 questionnaires. The indices are based on retail trade and service prices.

## **Pricing basis**

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

# Processing of price information

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

# Calculating product price indices

29

**30** 

31

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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.

# Calculating group price indices

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

# Contributions of specific items to the total CPI

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

#### Core index

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.

- 34 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.
- The choice of exclusions was informed by best practice amongst several other international agencies, and after consultation with the South African Reserve Bank and other local technical experts.

# CPI excluding interest rates on mortgage bonds (CPIX)

36

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 (cf. table 1 on page 13).

#### Seasonal adjustment

**37** 

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

# Reliability of estimates

38

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

#### **Related publications**

39

Users may also wish to refer to the following publications, which are available from

Stats SA -

- Bulletin of Statistics; and
- SA Statistics.

#### **Unpublished statistics**

**40** 

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

# Symbols and abbreviations

Stats SA Statistics South Africa

not available nil or not applicable

\* revised since previous publication

avg average

## **TECHNICAL NOTES**

#### Response rate

- 1 The response rate for the CPI for the metropolitan areas for January 2003 was 93%.
- The response rate for the CPI for the metropolitan and other urban areas for January 2003 was 92%.

#### **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 as 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 (cf. table1 on page 13).

#### Core index

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

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

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

## **Core inflation**

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

## Establishment

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

## **Indicator products**

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

## **Inflation rate**

Inflation rate is the annual percentage change in the CPI for all items of the relevant month of the current year compared with the CPI for all items of the same month in the previous year expressed as a percentage.

#### Metropolitan area

Metropolitan areas in the CPI refer to the following 13 metropolitan areas used in the compilation of the CPI -

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

Initially 12 metropolitan areas were selected, based on the population figures as well as the size of the economical activity in these areas. However, when the 9 provinces were introduced the Vaal Triangle metropolitan area was included partially (van der Biljpark and Vereeniging) in the other urban areas of Gauteng and partially (Sasolburg) in the other urban areas of the Free State. Due to the fact that there were no metropolitan areas in the Limpopo Province and Mpumalnaga, the main urban areas and Nelspruit/Witbank in each of these provinces were selected as metropolitan areas

# Monthly percentage change

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

## Weights

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

#### FOR MORE INFORMATION

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

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#### Advance release calendar

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