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Prices : Consumer Price Index (CPI)

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INFLATION RATE AT JULY 1996 THE HIGHEST SINCE AUGUST 1995

The official inflation rate, i.e. the annual rate of change in the Consumer Price Index, is **7,1%** at July 1996. This rate is 0,2 of a percentage point higher than the corresponding annual rate of 6,9% at June 1996, and 0,4 of a percentage point lower than the annual rate of 7,5% at August 1995.

From June 1996 to July 1996 the Consumer Price Index increased by 0,8%, while the seasonally adjusted index increased by 0,4% during the same period.

An alternative expression of the change in the CPI is to annualise the change between the average index of the three months up to July 1996 and the average index of the previous three months. This approach should use seasonally adjusted data, yielding a 8,6% increase and 9,3% unadjusted.

MONTHLY INCREASE OF 0,8%

The contributors to the monthly increase of 0,8% are the increases in the price indices for food (+0,3 of a percentage point), housing (+0,2 of a percentage point, mainly due to relatively large increases in assesment rates, which were slightly counteracted by a decrease of 1 percentage point in the interest rates on mortgage bonds), fuel and power (+0,1 of a percentage point), household operation (+0,1 of a percentage point) and all other items (+0,1 of a percentage point).

FOOD PRICES

Annual increase in food prices the highest since July 1995.

The price index for food shows an annual rate of increase of 4,8% at July 1996. This rate is 2,3 percentage points higher than the corresponding annual rate of 2,5% at June 1996, and 3,3 percentage points lower than the rate of 8,1% at July 1995.

From June 1996 to July 1996 food prices increased by 1,5%. This increase was caused by increases in the prices of grain products (+1,3%), meat (+1,4%), fish and other seafood (+0,7%), milk, cheese and eggs (+1,4%), fats and oils (+1,2%), fruit and nuts (+2,1%), vegetables (+2,9%), sugar (+0,6%), coffee, tea and cocoa (+0,4%) and "other" food items (+1,2%).

THE MONTHLY INCREASE IN THE PRICE INDEX FOR ALL ITEMS EXCLUDING FOOD IS 0,6%

Monthly increases in the price indices for non-alcoholic beverages (+0,9%), alcoholic beverages (+0,4%), cigarettes, cigars and tobacco (+0,5%), clothing and footwear (+0,2%), housing (+1,0%), fuel and power (+2,5%), furniture and equipment (+0,1%), household operation (+1,9%), medical care and health expenses (+0,4%), transport (+0,1%), communication (+1,1%), recreation and entertainment (+0,5%), reading matter (+0,6%), personal care (+0,3%) and "other" items (+0,8%) resulted in the monthly increase of 0,6% in the index for all items excluding food.

INCOME GROUP INDICES

An inflation rate of 6,9% was recorded for the lower income group, 7,5% for the middle income group and 6,9% for the higher income group.

URBAN AREAS INDICES

The highest inflation rate of 7,7% was recorded for Durban/Pinetown, while the lowest inflation rate of 6,0% was recorded for the Free State Goldfields.

Regarding food, the highest annual rate of increase of 7,2% was recorded for Durban/Pinetown, while the lowest rate of 2,8% was recorded for Bloemfontein.

INFLATION RATE FOR PENSIONERS

The inflation rate for pensioners is 7,2% at July 1996. The highest rate of increase of 7,8% was recorded for the Nelspruit/Witbank-area, while the lowest rate of increase of 5,9% was recorded for the Free State Goldfields.

FOOD INFLATION AS MEASURED AT CHAIN-STORES AND OTHER RETAILERS

Food prices at chain-stores show an annual rate of increase of 4,9%, while food prices at other retailers show an annual rate of increase of 4,2%. From June 1996 to July 1996, food prices at chain-stores increased by 1,5%, while food prices at other retailers increased by 1,3%.

CPI FOR AUGUST 1996

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

EXPLANATORY NOTES

1. All price information refers to the first seven days of the relevant month.
2. The Consumer Price Indices relating to different urban areas as shown in Table 4 do not permit inter-urban comparison of price levels or living costs. The indices do not indicate whether it is more expensive to live in one city than in another. The indices indicate for each urban area, independently of any of the other urban areas, the price changes which have taken place from time to time.
3. Consumer Price Indices have been compiled for the areas Pietersburg and Nelspruit/Witbank as from July 1994. Although prices are collected in each of the respective areas, the indices for June 1994 and the weighting structure of Pretoria were used as basis for the CPI for Pietersburg and those of the Vaal Triangle as basis for Nelspruit/Witbank. The weighting structure of the said areas will be used until the Survey of the Expenditures of Households has taken place in 1995, and the weighting structure for each of the new areas will then be determined accordingly. Furthermore, it should be noted that the indices for the weighted average have been calculated excluding the new areas. The new areas will be taken into account in the calculation of the weighted average as soon as a weighting structure for each has been brought into effect.
4. The indices for all items excluding food, Table 4.4, have been calculated for each area separately as from July 1994. These indices are calculated by means of the indices for all items and food of each area.
5. Value Added Tax (VAT) is included in general in the prices of all items on which VAT is applicable.
6. A more comprehensive description of the weighting system, seasonal adjustment, price collection methodology, etc., appears in the brochure "Inflation" as well as in the notes of Chapter 3 of the Bulletin of Statistics.

TABLE 1 INCOME GROUP INDICES AND PERCENTAGE CHANGE

BASE : 1990 = 100

Group	Jul. 1996	Jun. 1996	Jul. 1995	Percentage change compared with		
				Jun. 1996		Jul. 1995
				Actual	Seasonally adjusted	Actual
Lower income group	181,8	180,2	170,0	+0,9	+0,6	+6,9
Middle income group	186,9	185,2	173,8	+0,9	+0,5	+7,5
Higher income group	183,5	182,2	171,6	+0,7	+0,3	+6,9
All income groups	183,8	182,3	171,6	+0,8 ¹⁾	+0,4 ¹⁾	+7,1 ¹⁾
Food only	206,8	203,7	197,3	+1,5	+1,1	+4,8
All items excluding food	178,1	177,0	165,3	+0,6	+0,2	+7,7
All income groups (VAT EXCLUDED)	177,8	176,4	166,0	+0,8 ¹⁾	+0,4 ¹⁾	+7,1 ¹⁾

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

TABLE 2 EFFECT OF PRICE CHANGES ON THE CONSUMER PRICE INDEX

- ALL INCOME GROUPS

Group	Contribution
Food	+0,3
Housing	+0,2
Fuel and power	+0,1
Household operation	+0,1
All other items	+0,1
All items	+0,8

TABLE 3 GROUP INDICES - WEIGHTED AVERAGE

OF THE PRINCIPAL URBAN AREAS

BASE : 1990 = 100

Group	Jul. 1996	Jun. 1996	Jul. 1995	Percentage change compared with		Weights
				Jun. 1996	Jul. 1995	
All items	183,8	182,3	171,6	+0,8	+7,1	100,00
Lower income group	181,8	180,2	170,0	+0,9	+6,9	19,42
Middle income group	186,9	185,2	173,8	+0,9	+7,5	24,09
Higher income group	183,5	182,2	171,6	+0,7	+6,9	56,50
Commodities	187,6	185,8	177,2	+1,0	+5,9	57,92
Services	180,7	179,6	165,7	+0,6	+9,1	42,08
All items, excluding housing	193,4	191,9	182,1	+0,8	+6,2	79,46
All items, excluding food	178,1	177,0	165,3	+0,6	+7,7	81,36
Food	206,8	203,7	197,3	+1,5	+4,8	18,64
Lower income group	206,5	203,8	196,3	+1,3	+5,2	25,16
Middle income group	208,0	204,8	197,7	+1,6	+5,2	20,85
Higher income group	206,2	202,9	197,6	+1,6	+4,4	15,45
Processed	199,4	197,1	186,9	+1,2	+6,7	11,69
Unprocessed	213,7	209,9	207,2	+1,8	+3,1	6,95
Grain products	199,3	196,8	177,9	+1,3	+12,0	2,92
Meat	214,1	211,1	212,7	+1,4	+0,7	6,17
Fish and other seafood	190,0	188,6	175,4	+0,7	+8,3	0,70
Milk, cheese and eggs	187,3	184,7	173,8	+1,4	+7,8	2,28
Fats and oils	208,3	205,8	192,0	+1,2	+8,5	0,87
Fruit and nuts	261,4	255,9	248,7	+2,1	+5,1	1,18
Vegetables	211,9	206,0	210,3	+2,9	+0,8	1,88
Sugar	203,9	202,7	187,3	+0,6	+8,9	0,48
Coffee, tea and cocoa	192,7	192,0	190,0	+0,4	+1,4	0,59
Other	194,4	192,1	179,9	+1,2	+8,1	1,57
Non-alcoholic beverages	210,0	208,1	189,1	+0,9	+11,1	0,69
Alcoholic beverages	203,1	202,2	188,9	+0,4	+7,5	0,96
Cigarettes, cigars and tobacco	232,9	231,8	207,1	+0,5	+12,5	1,21
Clothing and footwear	148,6	148,3	143,0	+0,2	+3,9	7,02
Clothing	148,3	148,0	142,7	+0,2	+3,9	5,87
Footwear	148,7	148,1	143,2	+0,4	+3,8	1,15
Housing	144,6	143,2	129,2	+1,0	+11,9	20,54
Fuel and power	187,3	182,7	174,7	+2,5	+7,2	3,26
Furniture and equipment	145,3	145,2	140,4	+0,1	+3,5	5,50
Furniture	147,1	147,1	141,6	0,0	+3,9	2,47
Appliances	146,9	146,5	143,4	+0,3	+2,4	1,57
Other household equipment and textiles	148,5	148,4	142,2	+0,1	+4,4	1,46
Household operation	218,7	214,7	196,1	+1,9	+11,5	2,57
Household consumables	193,5	190,6	177,9	+1,5	+8,8	1,37
Domestic workers	269,9	266,6	233,2	+1,2	+15,7	0,83
Other household services	210,2	199,7	191,8	+5,3	+9,6	0,37
Medical care and health expenses	219,5	218,6	203,2	+0,4	+8,0	5,22
Transport	193,1	192,9	181,0	+0,1	+6,7	14,43
Vehicles	208,0	208,4	204,9	-0,2	+1,5	5,51
Running cost	184,9	184,9	164,2	0,0	+12,6	5,76
Public and hired transport	175,8	174,4	163,7	+0,8	+7,4	3,16
Communication	204,5	202,2	189,3	+1,1	+8,0	1,61
Recreation and entertainment	159,4	158,6	149,9	+0,5	+6,3	3,71
Reading matter	213,0	211,7	192,9	+0,6	+10,4	0,75
Education	310,9	310,9	284,4	0,0	+9,3	1,76
Personal care	176,8	176,2	163,9	+0,3	+7,9	2,64
Other	183,3	181,9	176,2	+0,8	+4,0	9,49

TABLE 4 URBAN AREAS INDICES

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

BASE : 1990 = 100

Urban area	All items			Percentage change compared with	
	Jul. 1996	Jun. 1996	Jul. 1995	Jun. 1996	Jul. 1995
Cape Peninsula	186,4	185,0	174,0	+0,8	+7,1
Port Elizabeth / Uitenhage	185,6	184,0	173,5	+0,9	+7,0
East London	184,8	183,6	172,4	+0,7	+7,2
Kimberley	185,3	183,0	174,3	+1,3	+6,3
Pietermaritzburg	187,8	187,4	175,0	+0,2	+7,3
Durban / Pinetown	180,4	179,4	167,5	+0,6	+7,7
Pretoria / Centurion / Akasia	186,0	184,4	173,1	+0,9	+7,5
Witwatersrand	183,2	181,5	171,2	+0,9	+7,0
Klerksdorp / Stilfontein / Orkney	182,1	181,0	171,3	+0,6	+6,3
Vaal Triangle	174,1	173,8	162,7	+0,2	+7,0
Free State Goldfields	180,9	179,5	170,7	+0,8	+6,0
Bloemfontein	178,9	177,0	167,3	+1,1	+6,9
Weighted average of the twelve areas	183,8	182,3	171,6	+0,8	+7,1
Nelspruit / Witbank	171,7	170,9	160,1	+0,5	+7,2
Pietersburg	184,1	182,7	171,3	+0,8	+7,5

TABLE 4.2 Index for food - Each area compared with itself

BASE : 1990 = 100

Urban area	Food			Percentage change compared with	
	Jul. 1996	Jun. 1996	Jul. 1995	Jun. 1996	Jul. 1995
Cape Peninsula	218,0	213,2	206,0	+2,3	+5,8
Port Elizabeth / Uitenhage	212,2	209,0	202,3	+1,5	+4,9
East London	215,1	212,5	202,8	+1,2	+6,1
Kimberley	197,7	194,4	190,2	+1,7	+3,9
Pietermaritzburg	228,1	226,0	213,3	+0,9	+6,9
Durban / Pinetown	204,2	201,1	190,4	+1,5	+7,2
Pretoria / Centurion / Akasia	206,8	203,6	197,9	+1,6	+4,5
Witwatersrand	202,3	199,7	194,9	+1,3	+3,8
Klerksdorp / Stilfontein / Orkney	204,8	203,2	195,3	+0,8	+4,9
Vaal Triangle	192,1	191,7	182,4	+0,2	+5,3
Free State Goldfields	200,6	198,0	194,7	+1,3	+3,0
Bloemfontein	209,3	206,6	203,6	+1,3	+2,8
Weighted average of the twelve areas	206,8	203,7	197,3	+1,5	+4,8
Nelspruit / Witbank	188,2	188,1	178,2	+0,1	+5,6
Pietersburg	203,0	199,4	190,4	+1,8	+6,6

TABLE 4 URBAN AREAS INDICES (concluded)

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

BASE : 1990 = 100

Urban area	All items excluding housing			Percentage change compared with	
	Jul. 1996	Jun. 1996	Jul. 1995	Jun. 1996	Jul. 1995
Cape Peninsula	196,2	194,7	185,1	+0,8	+6,0
Port Elizabeth / Uitenhage	195,6	193,8	184,4	+0,9	+6,1
East London	195,4	194,3	183,1	+0,6	+6,7
Kimberley	191,9	190,0	182,3	+1,0	+5,3
Pietermaritzburg	197,6	196,7	185,6	+0,5	+6,5
Durban / Pinetown	189,8	188,1	177,4	+0,9	+7,0
Pretoria / Centurion / Akasia	195,8	194,3	184,1	+0,8	+6,4
Witwatersrand	192,8	191,3	181,6	+0,8	+6,2
Klerksdorp / Stilfontein / Orkney	189,0	188,0	178,5	+0,5	+5,9
Vaal Triangle	180,3	179,7	169,1	+0,3	+6,6
Free State Goldfields	189,9	187,9	179,3	+1,1	+5,9
Bloemfontein	191,5	188,9	180,1	+1,4	+6,3
Weighted average of the twelve areas	193,4	191,9	182,1	+0,8	+6,2
Nelspruit / Witbank	177,0	176,2	166,2	+0,5	+6,5
Pietersburg	194,0	192,3	181,8	+0,9	+6,7

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

BASE : 1990 = 100

Urban area	All items excluding food			Percentage change compared with	
	Jul. 1996	Jun. 1996	Jul. 1995	Jun. 1996	Jul. 1995
Cape Peninsula	174,9	174,4	162,6	+0,3	+7,6
Port Elizabeth / Uitenhage	176,1	175,1	163,8	+0,6	+7,5
East London	175,1	174,3	162,9	+0,5	+7,5
Kimberley	178,2	176,3	166,4	+1,1	+7,1
Pietermaritzburg	174,8	174,7	162,7	+0,1	+7,4
Durban / Pinetown	169,1	168,7	156,8	+0,2	+7,8
Pretoria / Centurion / Akasia	178,8	177,5	165,3	+0,7	+8,2
Witwatersrand	175,8	174,3	163,0	+0,9	+7,9
Klerksdorp / Stilfontein / Orkney	173,2	172,2	162,3	+0,6	+6,7
Vaal Triangle	168,2	167,9	156,5	+0,2	+7,5
Free State Goldfields	170,9	169,8	159,9	+0,6	+6,9
Bloemfontein	169,7	168,0	156,8	+1,0	+8,2
Weighted average of the twelve areas	178,1	177,0	165,3	+0,6	+7,7
Nelspruit / Witbank	166,2	165,2	154,4	+0,6	+7,6
Pietersburg	177,3	176,3	164,6	+0,6	+7,7

TABLE 5 SEASONALLY ADJUSTED INDICES

BASE : 1990 = 100

Group	Jul.	Jun.	May	Apr.	Weights
	1996	1996	1996	1996	
All items	183,4	182,6	180,5	179,0	100,00
Lower income group	181,5	180,4	178,9	177,9	19,42
Middle income group	186,7	185,7	183,5	182,1	24,09
Higher income group	182,9	182,3	180,0	178,4	56,50
All items excluding food	177,4	177,0	174,6	172,5	81,36
Commodities	187,4	186,0	184,4	183,5	57,92
Food	207,8	205,5	205,0	205,8	18,64
Food and non-alcoholic beverages	207,8	205,5	205,0	205,7	19,33
Alcoholic beverages, cigarettes, cigars and tobacco	218,8	218,6	216,2	212,0	2,17
Clothing and footwear	148,5	148,2	147,4	146,8	7,02
Furniture and equipment	145,1	144,6	143,2	142,7	5,50
Vehicles	207,8	208,6	206,4	206,0	5,51
Other transport commodities	179,2	181,5	172,4	164,9	5,09
Other commodities	182,5	179,0	178,5	177,8	13,30
Services	180,2	179,2	176,7	174,5	42,08
Housing and domestic workers	146,1	147,0	143,1	140,0	21,37
Transport	180,9	179,8	178,6	179,1	3,83
Other services	226,3	222,9	221,8	220,1	16,88
All items (VAT excluded)	177,5	176,8	174,7	173,3	100,00

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

Each area compared with itself

BASE : 1990 = 100

Urban area	All items			Percentage change compared with	
	Jul.	Jun.	Jul.	Jun.	Jul.
	1996	1996	1995	1996	1995
Cape Peninsula	190,5	188,2	176,8	+1,2	+7,7
Port Elizabeth / Uitenhage	186,0	183,4	174,7	+1,4	+6,5
East London	189,3	187,5	177,3	+1,0	+6,8
Kimberley	187,3	183,8	174,9	+1,9	+7,1
Pietermaritzburg	185,0	184,2	173,8	+0,4	+6,4
Durban / Pinetown	185,3	183,9	172,3	+0,8	+7,5
Pretoria / Centurion / Akasia	188,3	184,8	175,7	+1,9	+7,2
Witwatersrand	185,4	182,3	173,1	+1,7	+7,1
Klerksdorp / Stilfontein / Orkney	185,2	182,5	173,7	+1,5	+6,6
Vaal Triangle	178,9	177,7	166,8	+0,7	+7,3
Free State Goldfields	171,8	169,9	162,3	+1,1	+5,9
Bloemfontein	188,8	186,0	177,0	+1,5	+6,7
Weighted average of the twelve areas	186,9	184,3	174,3	+1,4	+7,2
Nelspruit / Witbank	176,4	174,2	163,6	+1,3	+7,8
Pietersburg	183,6	181,4	172,7	+1,2	+6,3

TABLE 7 PERCENTAGE CHANGE BY TYPE OF STORE

TABLE 7.1 Chain-stores 1/

Group	Percentage change compared with	
	Jun. 1996	Jul. 1995
Food	+1,5	+4,9
Processed	+1,2	+6,9
Unprocessed	+1,7	+2,9
Grain products	+1,1	+12,6
Meat	+1,4	0,0
Fish and other seafood	+0,7	+8,9
Milk, cheese and eggs	+1,3	+6,8
Fats and oils	+1,4	+9,0
Fruit and nuts	+2,3	+5,6
Vegetables	+3,4	+2,9
Sugar	+0,3	+8,9
Coffee, tea and cocoa	+0,5	+1,1
Other	+1,5	+8,6

1/ With at least 15 branches

TABLE 7.2 Other retailers 2/

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

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