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# Consumer Price Index (CPI) Headline March 2006

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#### **EXECUTIVE SUMMARY**

#### **KEY FIGURES AT MARCH 2006**

		Indices (2000=100)	Percentage change between		
Main indices	March 2005	February 2006	March 2006	February 2006 and March 2006	March 2005 and March 2006
				Actual %	Actual %
CPI (historical metropolitan areas)	126,9	130,5	131,2	+ 0,5	+ 3,4
CPI excluding interest rates on mortgage bonds (CPIX) (historical metropolitan and other urban areas)	133,5	138,0	138,6	+ 0,4	+ 3,8

#### **KEY FINDINGS AT MARCH 2006**

The headline inflation rate at March 2006 (i.e. the Consumer Price Index for the historical metropolitan areas at March 2006 compared with that at March 2005) is 3,4%

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at March 2006 compared with that at March 2005) is 3,4% at March 2006. This rate is 0,5 of a percentage point lower than the corresponding annual rate of 3,9% at February 2006 (i.e. the percentage change in the CPI for the historical metropolitan areas at February 2006 compared with that at February 2005) (see table 2.1, p.15). This lower annual rate at March 2006 compared with that at February 2006 can be explained by decreases in the annual rates of change for:

- The CPI for transport for which the rate decreased from 10,1% at February 2006 to a lower rate of 6,1% at March 2006.
- The CPI for household operation for which the rate decreased from 3,1% at February 2006 to a lower rate of 2,1% at March 2006.
- The CPI for clothing and footwear for which the rate decreased from 6,2% at February 2006 to a lower rate of 6,5% at March 2006.
- The CPI for furniture and equipment for which the rate decreased from 1,2% at February 2006 to a lower rate of 1,9% at March 2006.

However, these decreases were partially counteracted by increases in the annual rates of change for:

- The CPI for food for which the rate increased from 4,7% at February 2006 to a higher rate of 5,5% at March 2006.
- The CPI for non-alcoholic beverages for which the rate increased from 3,6% at February 2006 to a higher rate of 5,4% at March 2006.

From February 2006 to March 2006 the Consumer Price Index for the historical metropolitan areas increased by 0,5%.

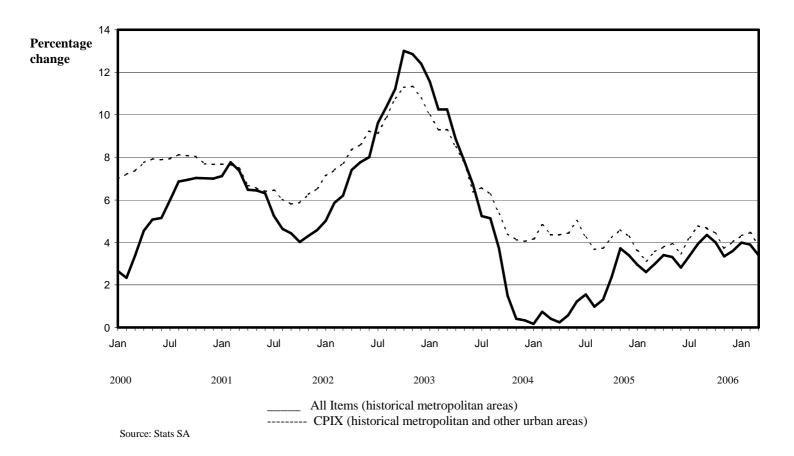
The annual increase of 3,4% in the Consumer Price Index for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,2 percentage points), transport (+ 0,9 of a percentage point), medical care and health expenses (+ 0,5 of a percentage point), education (+ 0,3 of a percentage point) and housing (+ 0,2 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point) and furniture and equipment (- 0,1 of a percentage point) (see table 3, p.16).

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 3,8% at March 2006 (i.e. the CPIX at March 2006 compared with that at March 2005)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding interest rates on mortgage bonds, for the historical metropolitan and other urban areas is 3,8% at March 2006 (i.e. the CPIX at March 2006 compared with that at March 2005). This rate is 0,7 of a percentage point lower than the corresponding annual rate of 4,5% at February 2006 (see table 2.2, p.15). From February 2006 to March 2006 the CPIX for the historical metropolitan and other urban areas increased by 0,4%.

The annual increase of 3,8% in the CPIX for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,2 percentage points), transport (+ 0,7 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), housing, excluding interest rates on mortgage bonds (+ 0,5 of a percentage point), education (+ 0,4 of a percentage point), alcoholic beverages (+ 0,2 of a percentage point) and household operation (+ 0,2 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point), furniture and equipment (- 0,1 of a percentage point) and communication (- 0,1 of a percentage point) (see table 9, p.17).

Figure 1 – Annual percentage change in the Consumer Price Index



#### Administered and regulated prices:

An administered price is defined as the price of a product, which is set consciously by an individual producer or group of producers and/or any price, which can be determined or influenced by government, either directly, or through one or other government agencies/institutions without reference to market forces.

Regulated prices are those administered prices that are said to be monitored and controlled by government policy. To this end, price regulation does not necessarily imply the presence of an economic regulator, but the restriction on the extent to which prices may vary, depending on government's policy objective.

The CPI for administered prices at March 2006 (i.e. the CPI for administered prices for the historical metropolitan areas at March 2006 compared with that at March 2005) is 6,7%. This rate is 3,8 percentage points lower than the corresponding annual rate of 10,5% at February 2006. The annual increase of 6,7% in March 2006 is mainly due to relatively large annual contributions in the price indices for petrol (+ 4,6 percentage points), school fees (+ 1,0 percentage point), water tariffs (+ 0,6 of a percentage point), university, technicon/collage fees (+ 0,5 of a percentage point) and assessment rates (+ 0,5 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for telephone call rates (- 0,4 of a percentage point) and cell phone call rates (- 0,2 of a percentage point) (see table 1, p.14).

The CPIX for administered prices at March 2006 (i.e. the CPIX for administered prices for the historical metropolitan and other urban areas at March 2006 compared with that at March 2005) is 6,2%. This rate is 3,1 percentage points lower than the corresponding annual rate of 9,3% at February 2006. The annual increase of 6,2% at March 2006 is mainly due to relatively large annual contributions in the price indices for petrol (+ 3,8 percentage points), school fees (+ 1,0 percentage point), water tariffs (+ 0,7 of a percentage point), university, technicon/collage fees (+ 0,6 of a percentage point) and assessment rates (+ 0,6 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for telephone call rates (- 0,4 of a percentage point) and cell phone call rates (- 0,1 of a percentage point) (see table 1, p.14).

#### **NOTE**

#### **CPI FOR APRIL 2006**

As indicated in the planned schedule of price surveys, explanatory notes 18, 19 and 20, the train tariffs are surveyed in March, June, September and December and electricity tariffs are surveyed in January, July and August. It has come to Stats SA's attention that price changes in these items will be introduced during the first seven days of April 2006 additional surveys for these items will be conducted in certain areas in April 2006 to capture these changes.

P J Lehohla

Statistician-General: Statistics South Africa

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#### HISTORICAL METROPOLITAN AREAS

#### **KEY FIGURES AT MARCH 2006**

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	March February 2005 2006		March 2006	February 2006 and March 2006	March 2005 and March 2006
				Actual	Actual
				%	%
СРІ	126,9	130,5	131,2	+ 0,5	+ 3,4
CPI excluding interest rates on					
mortgage bonds (CPIX)	133,9	138,4	139,1	+ 0,5	+ 3,9
Core index	133,3	137,0	137,2	+ 0,1	+ 2,9
Food price index	137,1	143,7	144,6	+ 0,6	+ 5,5
CPI excluding food price index	124,6	127,5	128,0	+ 0,4	+ 2,7
CPI excluding Value Added Tax (VAT)	126,9	130,5	131,2	+ 0,5	+ 3,4

#### **KEY FINDINGS AT MARCH 2006**

The headline inflation rate at March 2006 (i.e. the Consumer Price Index for the historical metropolitan areas at March 2006 compared with that at March 2005) is 3,4%

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at March 2006 compared with that at March 2005) is 3,4% at March 2006. This rate is 0,5 of a percentage point lower than the corresponding annual rate of 3,9% at February 2006 (i.e. the percentage change in the CPI for the historical metropolitan areas at February 2006 compared with that at February 2005) (see table 2.1, p.15). This lower annual rate at March 2006 compared with that at February 2006 can be explained by decreases in the annual rates of change for:

- The CPI for transport for which the rate decreased from 10,1% at February 2006 to a lower rate of 6,1% at March 2006.
- The CPI for household operation for which the rate decreased from 3,1% at February 2006 to a lower rate of 2,1% at March 2006.
- The CPI for clothing and footwear for which the rate decreased from 6,2% at February 2006 to a lower rate of 6,5% at March 2006.
- The CPI for furniture and equipment for which the rate decreased from 1,2% at February 2006 to a lower rate of 1,9% at March 2006.

However, these decreases were partially counteracted by increases in the annual rates of change for:

- The CPI for food for which the rate increased from 4,7% at February 2006 to a higher rate of 5,5% at March 2006.
- The CPI for non-alcoholic beverages for which the rate increased from 3,6% at February 2006 to a higher rate of 5,4% at March 2006.

From February 2006 to March 2006 the Consumer Price Index for the historical metropolitan areas increased by 0,5%.

The annual increase of 3,4% in the Consumer Price Index for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for food (+1,2) percentage points, transport (+0,9) of a percentage point, medical care and health expenses (+0,5) of a percentage point, education (+0,3) of a percentage point and housing (+0,2) of a percentage point. These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (-0,2) of a percentage point and furniture and equipment (-0,1) of a percentage point) (see table 3, p.16).

From February 2006 to March 2006 the Consumer Price Index for the historical metropolitan areas increased by 0.5%. This monthly increase was due to monthly contributions in the price indices for education (+ 0.3 of a percentage point), food (+ 0.1 of a percentage point), alcoholic beverages (+ 0.1 of a percentage point) and cigarettes, cigars and tobacco (+ 0.1 of a percentage point). These monthly increases were slightly counteracted by a monthly decrease in the price index for transport (- 0.1 of a percentage point, due to a 11c/1 decrease in the price of petrol) (see table 4, p.16).

Annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan areas is 3,9% at March 2006 (i.e. the percentage change in the CPIX at March 2006 compared with that at March 2005)

The annual percentage change in the CPIX for the historical metropolitan areas is 3,9% at March 2006 (i.e. the percentage change in the CPIX at March 2006 compared with that at March 2005). This rate is 0,7 of a percentage point lower than the corresponding annual rate of 4,6% at February 2006 (i.e. the percentage change in the CPIX for the historical metropolitan areas at February 2006 compared with that at February 2005). From February 2006 to March 2006 the CPIX for the historical metropolitan areas increased by 0,5%.

The annual increase of 3,9% in the CPIX for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for food ( $\pm$  1,3 percentage points), transport ( $\pm$  1,0 percentage point), housing, excluding interest rates on mortgage bonds ( $\pm$  0,5 of a percentage point), medical care and health expenses ( $\pm$  0,5 of a percentage point), education ( $\pm$  0,3 of a percentage point) and alcoholic beverages ( $\pm$  0,2 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear ( $\pm$  0,2 of a percentage point), furniture and equipment ( $\pm$  0,1 of a percentage point) and communication ( $\pm$  0,1 of a percentage point) (see table 7, p.17).

From February 2006 to March 2006 the CPIX for the historical metropolitan areas increased by 0.5%. This monthly increase was due to monthly contributions in the price indices for education (+ 0.3 of a percentage point), food (+ 0.1 of a percentage point), alcoholic beverages (+ 0.1 of a percentage point) and cigarettes, cigars and tobacco (+ 0.1 of a percentage point). These monthly increases were slightly counteracted by a decrease in the price index for transport (- 0.1 of a percentage point due to a 11c/l decrease in the price of petrol) (see table 8, p.17).

#### **Core inflation rate**

The core inflation rate for the historical metropolitan areas (see explanatory notes 33, 34 and 35 on page 34) is 2,9% at March 2006 (i.e. the core index at March 2006 compared with that at March 2005). This rate is 1,2 percentage points lower than the corresponding annual rate of 4,1% at February 2006. From February 2006 to March 2006 the core index for the historical metropolitan areas increased by 0,1%.

The annual increase of 2,9% in the core index for the historical metropolitan areas is mainly due to relatively large annual contributions in the price indices for transport (+ 1,2 percentage points), medical care and health expenses (+ 0,6 of a percentage point), housing (+ 0,5 of a percentage point) and food (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point), furniture and equipment (- 0,1 of a percentage point) and communication (- 0,1 of a percentage point) (see table 11, p.18).

From February 2006 to March 2006 the core index for the historical metropolitan areas increased by 0.1%. This monthly increase was due to monthly contributions in the price indices for alcoholic beverages (+ 0.1 of a percentage point) and cigarettes, cigars and tobacco (+ 0.1 of a percentage point). These monthly increases were slightly counteracted by a monthly decrease in the price index for clothing and footwear (- 0.1 of a percentage point) (see table 12, p.18).

#### **Food inflation**

The price index for food reflects an annual rate of increase of 5,5% at March 2006 (i.e. the CPI for food at March 2006 compared with that at March 2005). This rate is 0,8 of a percentage point higher than the corresponding annual rate of 4,7% at February 2006. From February 2006 to March 2006 this index increased by 0,6%.

Annual increases occurred in the price indices for fruit and nuts (+14,5%), meat (+10,5%), fish and other seafood (+7,7%), sugar (+7,3%), vegetables (+6,0%), milk, cheese and eggs (+2,7%), grain products (+2,2%), coffee, tea and cocoa (+2,0%) and "other" food products (+1,5%). These annual increases were slightly counteracted by an annual decrease in the price index for fats and oils (-2,9%) (see table 15, p.19).

Monthly increases occurred in the price indices for fruit and nuts (+2,6%), vegetables (+2,6%), meat (+0,8%), sugar (+0,6%), grain products (+0,4%), fats and oils (+0,2%), coffee, tea and cocoa (+0,2%) and fish and other seafood (+0,1%). These monthly increases were slightly counteracted by a monthly decrease in the price index for milk, cheese and eggs (-0,3%) (see table 15, p.19).

#### **CPI** excluding food

The price index for non-food items shows an annual rate of change of 2,7% at March 2006 (i.e. the CPI excluding food at March 2006 compared with that at March 2005). This rate is 1,0 percentage point lower than the corresponding annual rate of 3,7% at February 2006. From February 2006 to March 2006 this index increased by 0,4%.

Annual increases occurred in the price indices for alcoholic beverages (+8,8%), cigarettes, cigars and tobacco (+7,1%), education (+7,0%), transport (+6,1%), non-alcoholic beverages (+5,4%), medical care and health expenses (+5,3%), reading matter (+3,4%), household operation (+2,1%), personal care (+1,5%), fuel and power (+1,3%), housing (+0,9%) and recreation and entertainment (+0,5%). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (-6,5%), communication (-2,3%), furniture and equipment (-1,9%) and "other" products (-0,1%) (see table 15, p.19).

Relatively large monthly increases occurred in the price indices for education (+7,0%), cigarettes, cigars and tobacco (+4,0%), alcoholic beverages (+3,9%) and non- alcoholic beverages (+2,7%). These monthly increases were slightly counteracted by monthly decreases in the price indices for clothing and footwear (-1,6%), transport (-0,7%), mainly due to a 11c/l decrease in the price of petrol), recreation and entertainment (-0,2%), furniture and equipment (-0,1%) and personal care (-0,1%) (see table 15, p.19).

#### 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 March 2006 and the average index of the previous three months. This approach, when using unadjusted data shows an increase of 3,7% (which is 1,8 percentage points higher than the corresponding rate of 1,9% for February 2006).

#### **Pensioners**

The annual inflation rate for pensioners in the historical metropolitan areas is 3,9% at March 2006 (i.e. the CPI for pensioners at March 2006 compared with that at March 2005), which is 0,4 of a percentage point lower than the corresponding annual rate of 4,3% at February 2006 (see table 25, p.29).

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#### HISTORICAL METROPOLITAN AND OTHER URBAN AREAS

#### **KEY FIGURES AT MARCH 2006**

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	March 2005	February 2006	March 2006	February 2006 and March 2006	March 2005 and March 2006	
				Actual %	Actual %	
CPI	127,5	131,1	131,7	+ 0,5	+ 3,3	
CPI excluding interest rates on mortgage bonds (CPIX)	133,5	138,0	138,6	+ 0,4	+ 3,8	
Core index	132,7	136,3	136,5	+ 0,1	+ 2,9	
Food price index	137,7	144,0	144,6	+ 0,4	+ 5,0	
CPI excluding food price index	124,8	127,7	128,3	+ 0,5	+ 2,8	
CPI excluding Value Added Tax (VAT)	127,5	131,1	131,7	+ 0,5	+ 3,3	

#### **KEY FINDINGS AT MARCH 2006**

Inflation rate for the historical metropolitan and other urban areas is 3,3% at March 2006 (i.e. the CPI at March 2006 compared with that at March 2005)

The inflation rate for the historical metropolitan and other urban areas is 3,3% at March 2006 (i.e. the CPI at March 2006 compared with that at March 2005). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 3,9% at February 2006. This lower annual rate at March 2006 compared with that at February 2006, can be explained by decreases in the annual rates of change for:

- The CPI for transport for which the rate decreased from 9,3% at February 2006 to a lower rate of 5,7% at March 2006
- The CPI for household operation for which the rate decreased from 4,8% at February 2006 to a lower rate of 3,8% at March 2006.
- The CPI for furniture and equipment for which the rate decreased from 0,7% at February 2006 to a lower rate of 1,8% at March 2006.

However, these decreases were partially counteracted by an increase in the annual rate of change for:

• The CPI for non-alcoholic beverages for which the rate increased from 3,1% at February 2006 to a higher rate of 4,9% at March 2006.

From February 2006 to March 2006 the Consumer Price Index for the historical metropolitan and other urban areas increased by 0,5%.

The annual increase of 3.3% in the Consumer Price Index for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,1 percentage points), transport (+ 0,7 of a percentage point), medical care and health expenses (+ 0,5 of a percentage point) and education (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,1 of a percentage point) and furniture and equipment (- 0,1 of a percentage point) (see table 5, p.16).

From February 2006 to March 2006 the Consumer Price Index for the historical metropolitan and other urban areas increased by 0,5%. This monthly increase is due to monthly contributions in the price indices for education (+ 0,3 of a percentage point), food (+ 0,1 of a percentage point), alcoholic beverages (+ 0,1 of a percentage point) and cigarettes, cigars and tobacco (+ 0,1 of a percentage point). These monthly increases were slightly counteracted by a monthly decrease in the price index for transport (- 0,1 of a percentage point, mainly due to a 11c/l decrease in the price of petrol) (see table 6, p.16).

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 3,8% at March 2006 (i.e. the CPIX at March 2006 compared with that at March 2005)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding interest rates on mortgage bonds, for the historical metropolitan and other urban areas is 3,8% at March 2006 (i.e. the CPIX at March 2006 compared with that at March 2005). This rate is 0,7 of a percentage point lower than the corresponding annual rate of 4,5% at February 2006 (see table 2.2, p.15). From February 2006 to March 2006 the CPIX for the historical metropolitan and other urban areas increased by 0,4%.

The annual increase of 3,8% in the CPIX for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for food (+ 1,2 percentage points), transport (+ 0,7 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), housing, excluding interest rates on mortgage bonds (+ 0,5 of a percentage point), education (+ 0,4 of a percentage point), alcoholic beverages (+ 0,2 of a percentage point) and household operation (+ 0,2 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point), furniture and equipment (- 0,1 of a percentage point) and communication (- 0,1 of a percentage point) (see table 9, p.17).

From February 2006 to March 2006 the CPIX for the historical metropolitan and other urban areas increased by 0.4%. This monthly increase is due to monthly contributions in the price indices for education (+ 0.3 of a percentage point), food (+ 0.1 of a percentage point) and, cigarettes, cigars and tobacco (+ 0.1 of a percentage point). These monthly increases were slightly counteracted by monthly decreases in the price indices for clothing and footwear (- 0.1 of a percentage point) and transport (- 0.1 of a percentage point, mainly due to a 11c/1 decrease in the price of petrol) (see table 10, p17).

#### Core inflation rate

The core inflation rate for the historical metropolitan and other urban areas (see explanatory notes 33, 34 and 35 on page 34) is 2,9% at March 2006 (i.e. the core index at March 2006 compared with that at March 2005). This rate is 1,0 percentage point lower than the corresponding annual rate of 3,9% at February 2006. From February 2006 to March 2006 the core index for the historical metropolitan and other urban areas index increased by 0,1%.

The annual increase of 2,9% in the core index for the historical metropolitan and other urban areas is mainly due to relatively large annual contributions in the price indices for transport (+ 1,1 percentage points), medical care and health expenses (+ 0,6 of a percentage point), housing (+ 0,4 of a percentage point), food (+ 0,3 of a percentage point) and household operation (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point), furniture and equipment (- 0,1 of a percentage point) and communication (- 0,1 of a percentage point) (see table 13, p.18).

From February 2006 to March 2006 the core index for the historical metropolitan and other urban areas increased by 0.1%. This monthly increase is due to monthly contributions in the price indices for alcoholic beverages (+ 0.1 of a percentage point) and cigarettes, cigars and tobacco (+ 0.1 of a percentage point). These monthly increases were slightly counteracted by a monthly decrease in the price index for clothing and footwear (- 0.1 of a percentage point) (see table 14, p.18).

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#### **Food inflation**

The price index for food reflects an annual rate of increase of 5,0% at March 2006 (i.e. the CPI for food at March 2006 compared with that at March 2005). This rate is 0,5 of a percentage point higher than the corresponding annual rate of 4,5% at February 2006. From February 2006 to March 2006 this index increased by 0,4%.

Annual increases occurred in the price indices for fruit and nuts (+11,9%), meat (+10,3%), fish and other seafood (+6,3%), sugar (+6,2%), vegetables (+4,2%), milk, cheese and eggs (+2,7%), coffee, tea and cocoa (+2,2%), grain products (+2,0%) and "other" food products (+1,6%). These annual increases were slightly counteracted by an annual decrease in the price index for fats and oils (-3,3%) (see table 16, p.20).

Monthly increases occurred in the price indices for vegetables (+1,9%), fruit and nuts (+1,5%), sugar (+0,7%), meat (+0,4%), grain products (+0,3%) and coffee, tea and cocoa (+0,2%). These monthly increases were slightly counteracted by monthly decreases in the price indices for fats and oils (-0,4%), milk cheese and eggs (-0,2%) and fish and other seafood (-0,1%) (see table 16, p.20).

#### **CPI** excluding food

The price index for non-food items reflects an annual rate of change of 2,8% at March 2006 (i.e. the CPI excluding food index at March 2006 compared with that at March 2005). This rate is 0,9 of a percentage point lower than the corresponding annual rate of 3,7% at February 2006. From February 2006 to March 2006 this index increased by 0,5%.

Annual increases occurred in the price indices for alcoholic beverages (+8,4%), cigarettes, cigars and tobacco (+7,9%), education (+7,0%), transport (+5,7%), medical care and health expenses (+5,6%), non-alcoholic beverages (+4,9%), household operation (+3,8%), reading matter (+3,1%), personal care (+2,6%), fuel and power (+1,8%), housing (+0,9%) and "other" products (+0,1%). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (-5,7%), communication (-2,4%), furniture and equipment (-1,8%) and recreation and entertainment (-0,3%) (see table 16, p.20).

Relatively large monthly increases occurred in the price indices for education (+7,0%), cigarettes, cigars and tobacco (+4,1%), alcoholic beverages (+3,7%) and non-alcoholic beverages (+2,9%). These monthly increases were slightly counteracted by monthly decreases in the price indices for clothing and footwear (-0,9%), furniture and equipment (-0,6%), transport (-0,6%), mainly due to a 11c/l decrease in the price of petrol) and recreation and entertainment (-0,3%) (see table 16, p.20).

#### 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 March 2006 and the average index of the previous three months. This approach, when using the unadjusted data shows an increase of 4,0% (which is 1,6 percentage points higher than the corresponding rate of 2,4% for February 2006).

#### Area indices

The Port Elizabeth/Uitenhage area recorded the highest annual inflation rate of 5,7%, while the lowest annual inflation rate of 2,5% was recorded for the Cape Peninsula area (see table 21, p.25).

Regarding food prices, the highest annual inflation rate of 10,2% was recorded for the Bloemfontein area, while the other urban areas of the Eastern Cape recorded the lowest annual rate of change of 2,5% (see table 22, p.26).

#### **Pensioners**

The Bloemfontein area recorded the highest annual rate of increase of 6,9%, while the lowest annual rate of change of 2,8% was recorded for the other urban areas of Gauteng (see table 25, p.29).

#### **NOTES**

Forthcoming	Issue	<b>Expected date for publication</b>				
issues	April 2006	24 May 2006				
	May 2006	28 June 2006				
	June 2006	26 July 2006				
	July 2006	30 August 2006				
	August 2006	27 September 2006				
	September 2006	25 October 2006				

# Purpose of the survey

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

# Rebasing the CPI from 1995=100 to 2000=100

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

### **Updating the CPI** basket

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

#### **CPIX**

In other countries in the world such as New Zealand, Sweden and Australia, which adopted inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, and the CPI excluding interest rates on mortgage bonds (CPIX). Stats SA has accordingly calculated these measures and the CPIX, is included in this release (see table 2.2, p.15).

Stats SA releases detailed figures on the CPIX (see tables 17 and 18 on pages 21 and 22). The detailed figures were introduced and published as from February 2000.

Special Data
Dissemination
Standard (SDDS)
of the
International
Monetary Fund
(IMF)

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

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

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

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

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

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

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

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

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

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

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

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

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

		Indices (2000=100)	Percentage change   between			
Expenditure   group/Area   indices	Mar	       Feb	Mar	Feb 2006 and Mar 2006	Mar 2005   and   Mar 2006	
	2005	2006   	2006	Actual	Actual	
i 		 	 	%	%	
Expenditure group indices						
Very low expenditure	133,4	138,5	139,5	+0,7	+4,6	
Low expenditure	133,9	138,2	139,1	+0,7	+3,9	
   Middle expenditure   	130,9	134,9	135,9	+0,7	+3,8	
   High expenditure 	132,1	   136,1 	136,9	+0,6	+3,6	
Very high expenditure	125,0	   128,4 	129,0	+0,5	+3,2	
All expenditure groups - Historical metropolitan areas	126,9	130,5	131,2	1) +0,5	+3,4	
Historical metropolitan and other urban areas	127,5	131,1	131,7	+0,5	+3,3	
  CPI excluding interest rates						
on mortgage bonds (CPIX) - Historical metropolitan areas	133,9	138,4	139,1	+0,5	+3,9	
Historical metropolitan and other urban areas	133,5	138,0	138,6	+0,4	+3,8	
  Core index -						
Historical metropolitan areas   Historical metropolitan and	133,3	137,0	137,2	+0,1	+2,9	
other urban areas	132,7	136,3	136,5	+0,1	+2,9	
Food only index -   Historical metropolitan areas   Historical metropolitan and	137,1	143,7	144,6	+0,6	+5,5	
other urban areas	137,7	144,0	144,6	+0,4	+5,0	
CPI excluding food -   Historical metropolitan areas   Historical metropolitan and	124,6	127,5	128,0	+0,4	+2,7	
other urban areas	124,8	127,7	128,3	+0,5	+2,8	
   CPI for administered prices -   Historical metropolitan areas   Historical metropolitan and	135,7	143,9	144,8	+0,6	+6,7	
other urban areas	134,5	141,8	142,8	+0,7	+6,2	
CPI for regulated prices -   Historical metropolitan areas	126,7	136,9	135,7	-0,9	+7,1	
Historical metropolitan and   other urban areas	126,6	135,5	134,5	-0,7	+6,2	
CPI for administered prices						
that are not regulated -   Historical metropolitan areas	157,3	160,4	166,6	+3,9	+5,9	
Historical metropolitan and   other urban areas	153,6	157,1	163,2	+3,9	+6,3	
CPIX for administered prices -	135,6	143,7	144,7	+0,7	+6,7	
Historical metropolitan and   other urban areas	134,4	141,7	142,7	+0,7	+6,2	
CPIX for regulated prices - Historical metropolitan areas	126,6	136,8	135,6	-0,9	+7,1	
Historical metropolitan and   other urban areas	126,5	135,3	134,4	-0,7	+6,2	
CPIX for administered prices that are not regulated - Historical metropolitan areas	157,2	       160,3	166,6	+3,9	+6,0	
Historical metropolitan and other urban areas	153,4	156,8	162,8	+3,8	+6,1	
  CPI excluding VAT   Historical metropolitan areas	126,9	130,5	131,2	1) +0,5	1)	
Historical metropolitan and     other urban areas	127,5	   131,1	131,7	+0,5	+3,3	
					'	

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

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

Base year: 2000=100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2004	Index  % 1)	121,8	122,4	123,2 +0,4	123,4 +0,2	123,5 +0,6	123,9 +1,2	124,3 +1,6	124,1	124,1 +1,3	124,6	125,3	125,0 +3,4	123,8 +1,4 2)
2005	Index   % 1)	125,4	125,6	126,9	127,6	127,6	127,4	128,5	129,0	129,5 +4,4	129,6	129,5	129,5 +3,6	128,0 +3,4 2)
2006	Index  % 1)	130,4 +4,0	130,5 +3,9	131,2 +3,4	· ·   · ·		· ·   · ·							2)

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

Base year: 2000=100

Year	Index	Jan.	Feb.	Mar.	Apr.	 May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.   Ave.	
	Index   % 1)	127,4 +4,2	128,1 +4,8	128,9 +4,4	129,3 +4,4	129,4 +4,4	129,7 +5,0	130,1 +4,2	129,9 +3,7	130,3 +3,7	130,9 +4,2	131,7 +4,6	131,4   129,8 +4,3   +4,3	2)
2005	Index   % 1)	132,0 +3,6	132,1 +3,1	133,5 +3,6	134,2 +3,8	134,5 +3,9	134,2 +3,5	135,6 +4,2	136,1 +4,8	136,4  +4,7	136,7  +4,4	136,6	136,7  134,9 +4,0  +3,9	2)
2006	Index  % 1)	137,7 +4,3	138,0 +4,5	138,6 +3,8										2)

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

Base year: 2000=100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.  A	ve.
	Index  % 1)	135,4 +2,7	135,3 +3,3	135,1 +3,1	134,9 +2,7	134,9 +2,3	134,5 +2,7	133,7 +2,0	133,9  +1,6	133,8 +1,6	135,0 +1,9	136,4 +1,9	135,7 +1,5	134,9   +2,3 2)
	Index  % 1)	137,1 +1,3	137,2 +1,4	137,1 +1,5	137,0  +1,6	136,8 +1,4	136,3 +1,3	137,4 +2,8	137,4 +2,6	138,4 +3,4	138,5 +2,6	139,7 +2,4	141,6 +4,3	137,9   +2,2 2)
2006	Index  % 1)	143,1	143,7 +4,7	144,6  +5,5										2)

<sup>1) % =</sup> annual inflation rate

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<sup>2)</sup> Average annual inflation rate

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

| Contribution at | Contribution at Group February 2006 March 2006 0,1 0,1 0,1 Non-alcoholic beverages 0,0 0,1 Alcoholic beverages Cigarettes, cigars and tobacco Clothing and footwear -0,2 Housing Fuel and power 0,2 0,2 0.1 0.1 Furniture and equipment Household operation 0,0 -0,1 Medical care and health expenses 0,5 0,5 1,3 0,9 0,3 Transport Education 0,3 Personal care 0,1 0,1 All groups 3.9 3.4

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

Group	Contribution at   February 2006	Contribution at     March 2006
Food Alcoholic beverages Cigarettes, cigars and tobacco Household operation Transport Education	0,1 0,0 0,0 -0,1 0,1 0,0	0,1 0,1 0,1 0,0 -0,1 0,3
All groups	0,1	0,5

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

Group	Contribution at   February 2006	Contribution at     March 2006
Food	1,1	1,1
Non-alcoholic beverages	0,0	0,1
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,1
Housing	0,2	0,2
Fuel and power	0,1	0,1
Furniture and equipment	0,0	-0,1
Household operation	0,3	0,2
Medical care and health expenses	0,5	0,5
Transport	1,2	0,7
Education	0,3	0,3
Personal care	0,1	0,1
All groups	3,9	3,3

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   February 2006	Contribution at   March 2006	
Food   Alcoholic beverages	0,1	0,1	
Cigarettes, cigars and tobacco	0,0	0,1	
Household operation   Transport	-0,1   0,1	0,0	
Education	0,0	0,3	
All groups	0,2	0,5	

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

Group	Contribution at   February 2006	Contribution at   March 2006
Food	1,2	1,3
Non-alcoholic beverages	0,0	0,1
Alcoholic beverages	0,1	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,2
Housing (excl. interest rates on mortgage bonds)	0,5	0,5
Fuel and power	0,1	0,1
Furniture and equipment	0,0	-0,1
Household operation	0,2	0,1
Medical care and health expenses	0,5	0,5
Transport	1,6	1,0
Communication	-0,1	-0,1
Education	0,4	0,3
Personal care	0,1	0,1
   All groups	4,6	3,9

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

Group	Group   Contribution at     February 2006	
Food Alcoholic beverages Cigarettes, cigars and tobacco Household operation Transport Education	0,1 0,0 0,0 -0,1 0,1 0,0	0,1 0,1 0,1 0,0 -0,1 0,3
All groups	0,1	0,5

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 February 2006	Contribution at March 2006
	1 0	
Food	1,2	1,2
Non-alcoholic beverages	0,0	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,2
Housing (excl. interest rates on mortgage bonds)	0,5	0,5
Fuel and power	0,1	0,1
Furniture and equipment	0,0	-0,1
Household operation	0,2	0,2
Medical care and health expenses	0,6	0,6
Transport	1,3	0,7
Communication	-0,1	-0,1
Education	0,4	0,4
Personal care	0,1	0,1
All groups	4,5	3,8

Table 10 - Contributions of different groups to the monthly percentage change in the CPIX for the historical metropolitan and other urban areas  ${}^{\circ}$ 

Group	Contribution at   February 2006	Contribution at     March 2006
Food	0,1	0,1
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,0	0,1
Clothing and footwear	0,0	-0,1
Household operation	-0,1	0,0
Transport	0,1	-0,1
Education	0,0	0,3
All groups	0,2	0,4

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

Group	Contribution at   February 2006	Contribution at March 2006	
Food	0,1	0,3	
Non-alcoholic beverages	0,1	0,1	
Alcoholic beverages	0,2	0,2	
Cigarettes, cigars and tobacco	0,1	0,1	
Clothing and footwear	-0,1	-0,2	
Housing	0,5	0,5	
Fuel and power	0,1	0,1	
Furniture and equipment	0,0	-0,1	
Household operation	0,2	0,1	
Medical care and health expenses	0,6	0,6	
Transport	1,9	1,2	
Communication	-0,1	-0,1	
Education	0,4	0,0	
Personal care	0,1	0,1	
All groups	4,1	2,9	

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

Group	Contribution at   February 2006	Contribution at     March 2006
Food Alcoholic beverages Cigarettes, cigars and tobacco Clothing and footwear Household operation Transport	0,1 0,0 0,0 0,0 -0,1 0,1	0,0 0,1 0,1 -0,1 0,0 0,0
All groups	0,1	0,1

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   February 2006	Contribution at     March 2006
Food	0,2	0,3
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,2	-0,2
Housing	0,5	0,4
Fuel and power	0,1	0,1
Furniture and equipment	0,0	-0,1
Household operation	0,3	0,3
Medical care and health expenses	0,6	0,6
Transport	1,5	1,1
Communication	-0,1	-0,1
Education	0,4	0,0
Personal care	0,2	0,1
All groups	3,9	2,9

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   February 2006	Contribution at     March 2006
Alcoholic beverages Cigarettes, cigars and tobacco Clothing and footwear Transport	0,0 0,0 0,0 0,0	0,1 0,1 -0,1 0,0
All groups	0,1	0,1

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

         Group/Product	             	   Indices   (2000=100)			Percentage change between	
Group/Product	Weights          	Mar 2005	     Feb   2006	     Mar   2006	   Feb 2006   and   Mar 2006	   Mar 2005   and   Mar 2006
CPI: All items	100,00	126,9	130,5	131,2	+0,5	+3,4
Expenditure groups - Very low	   0,91	133,4	138.5	139,5	+0,7	+4,6
Low	1,76	133,4	138,2	139,1	+0,7	+3,9
Middle	6,36	130,9	134,9	135,9	+0,7	+3,8
High	14,57	132,1	136,1	136,9	+0,6	+3,6
Very high	76,40	125,0	128,4	129,0	+0,5	+3,2
Commodities Services	57,14     42,86	128,9 124,3	134,1 126,0	134,5 126,9	+0,3	+4,3 +2,1
CPI: All items, excluding housing	77,86	130,8	135,2	136,0	+0,6	+4,0
CPI: All items, excluding food	79,01	124,6	127,5	128,0	+0,4	+2,7
Food	20,99	137,1	143,7	144,6	+0,6	+5,5
Expenditure groups - Very low	51,39	135,8	143,0	144,3	+0,9	+6,3
Low	49,01	137,5	144,6	145,7	+0,8	+6,0
Middle High	43,39     33,07	137,7	145,1 144,4	146,2 145,4	+0,8	+6,2 +5,7
High Very high	33,07	137,6 136,9		145,4	+0,7	+5,7
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Processed Unprocessed	11,91     9,08	137,3 136,6	140,6 147,5	141,0 149,1	+0,3	+2,7 +9,2
Grain products	3,81	130,8	133,2	133,7	+0,4	+2,2
Meat	5,66	140,8	154,4	155,6	+0,8	+10,5
Fish and other seafood Milk, cheese and eggs	0,69     1,96	135,4 149,2	145,6 153,7	145,8 153,3	+0,1	+7,7 +2,7
Fats and oils	0,76	136,8	132,6	132,8	+0,2	-2,9
Fruit and nuts	1,09	132,7	148,1	151,9	+2,6	+14,5
Vegetables	2,00	132,1	136,4	140,0	+2,6	+6,0
Sugar Coffee, tea and cocoa	0,50     1,07	129,6 122,0	138,3 124,2	139,1 124,4	+0,6	+7,3 +2,0
Other	3,45	139,8	141,9	141,9	0,0	+1,5
Non-alcoholic beverages Alcoholic beverages	1,10	141,6 151,6	145,4 158,8	149,3 165,0	+2,7	+5,4 +8,8
Cigarettes, cigars and tobacco	1,14	162,3	167,2	173,9	+4,0	+7,1
Clothing and footwear	3,25	93,3	88,6	87,2	-1,6	-6,5
Clothing	2,04		92,1	91,2	-1,0	-4,8
Footwear	1,21	88,2	82,0	79,8	-2,7	-9,5
Housing Fuel and power	22,14	113,4 134,3	114,3 136,0	114,4 136,0	+0,1	+0,9 +1,3
Furniture and equipment	2,53	117,7	115,6	115,5	-0,1	-1,9
Furniture	0,95	126,2	123,6	124,0	+0,3	-1,7
Appliances	0,80	117,6	114,0	114,0	0,0	-3,1
Other household equipment and textiles	0,78	107,5	107,4	106,7	-0,7	-0,7
Household operation	4,82	135,0	137,7	137,8	+0,1	+2,1
Household consumables	1,25	129,9	134,0	134,4	+0,3	+3,5
Domestic workers Other household services	3,48	137,3	139,5	139,5 117,2	0,0	+1,6
	0,09	115,3	117,2		0,0	+1,6
Medical care and health expenses	7,15	161,2	169,5	169,7	+0,1	+5,3
Transport Vehicles	14,84     5,95	124,5 116,6	133,0 116,2	132,1 116,3	-0,7 +0,1	+6,1 -0,3
Running cost	7,05	136,5	154,2	152,1	-1,4	-0,3 +11,8
Petrol	1 1/	136,8	162,7	159,5	-2,0	+16,6
Public and hired transport	1,84	109,5	110,4	110,4	0,0	+0,8
Communication	2,98	128,1	125,1	125,1	0,0	-2,3
Recreation and entertainment Reading matter	3,31     0,39	97,0 133,6	97,7 137,6	97,5 138,1	-0,2 +0,4	+0,5 +3,4
Education	3,48	158,1	158,1	169,2	+7,0	+7,0
Personal care	3,67	129,3	131,4	131,3	-0,1	+1,5

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

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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) between Group/Product |Weights|--Feb 2006 Mar 2005 Mar | Feb | Mar 2005 | 2006 | 2006 and and Mar 2006 Mar 2006 CPI: All items 127,5 131,1 131,7 +0,5 +3,3 139,5 138,1 137,4 136,2 129,6 Expenditure groups - Very low 1.39 134.1 138,7 +0.6 +4.0 2,26 133,2 137,4 +0,5 +3,7 Low Middle 8,11 132,6 136,6 +0,6 +3,6 High 16,96 131,6 135.5 +0.5 +3.5 Very high 71,28 125,5 129,0 +0,5 +3,3 Commodities 59,42 129.7 134.6 135.0 +0.3 +4.1 Services 40,58 124,6 126,5 127,5 +0,8 +2,3 79,30 131,0 135,4 136,1 +0,5 CPI: All items, excluding housing +3,9 CPI: All items, excluding food 76,98 127,7 128,3 124,8 +0,5 +2,8 144,6 23,02 137,7 144,0 +0,4 +5,0 140,9 Expenditure groups - Very low 51.24 135.1 141.5 +0.4 +4.7 49,72 142,7 143,3 +0,4 136,7 +4,8 Low 144,8 Middle 43,93 137,8 144,2 +0,4 +5,1 High 33,68 138.3 144.8 145.3 +0.3 +5,1 Very high 16,69 137.8 144,2 144,8 +0,4 +5,1 +0,2 +0,5 12,81 137,9 141,1 141.4 +2.5 Unprocessed 10,21 137,4 147,7 148,5 +8,1 132,5 132,9 +0,3 Grain products 130,3 156,1 142,1 156,7 +0,4 +10,3 6,23 Fish and other seafood 0,70 138.3 147,1 147.0 -0.1 +6,3 Milk, cheese and eggs 2.10 149.2 153.5 153.2 -0.2+2.7 Fats and oils 0,84 137,9 134,0 133,4 -0,4 -3,3 137,3 1,13 Fruit and nuts 151,5 153,7 +1,5 +11,9 2.18 Vegetables 131.3 134.2 136.8 +1.9 +4.2 138,5 139,5 Sugar 0,62 131,3 +0,7 +6,2 Coffee, tea and cocoa +0,2 1,14 121,4 123,8 124,1 +2,2 Other 3,74 141,9 144,2 144,2 0,0 +1,6 Non-alcoholic beverages 147,0 1,13 140,2 142,8 +2,9 +4,9 Alcoholic beverages 150,7 157,6 163,4 +3,7 +8,4 Cigarettes, cigars and tobacco 1.21 İ 165.7 171.7 178.8 +4.1 +7.9 Clothing and footwear 3,64 92,9 88,4 87,6 -0,9 -5,7 Clothing 2,27 95,4 91,6 91,0 -0,7 -4,6 81,8 1.37 88.5 82.8 -1.2 -7.6 Footwear Housing 20,70 114,2 115,1 115,2 +0,1 +0,9 Fuel and power 3,84 133,4 135,7 135,8 +0,1 +1,8 Furniture and equipment 2,82 116,4 115,0 114,3 -0,6 -1,8 Furniture 124,9 123,5 122,6 -0,7 1,08 Appliances 0,84 116,5 113,9 113,2 -0,6 -2,8 Other household equipment and textiles 0,90 105,6 105,3 104,7 -0,6 -0,9 136.4 141.6 141.6 0.0 +3.8 Household operation 4.68 Household consumables 133,7 138,3 +0,2 1,34 138,6 +3.7 Domestic workers 3,22 138,2 143,7 143,7 0,0 +4,0 Other household services 0,12 115,7 118,1 117,9 -0,2 +1,9 Medical care and health expenses 6,90 161.3 170,1 170,3 +0,1 +5,6 13,72 -0,6 +5,7 Transport. 123,2 131,0 130,2 115,3 149,2 +0,1 -0,3 Vehicles 5,11 115,7 115,2 Running cost 6,56 134,4 151,0 -1,2 +11,0 155,2 1 / 132,4 152,4 -1,8 +15,1 Petrol Public and hired transport 2.05 107,6 108,2 108,2 0,0 +0,6 2,86 125,3 125,3 0,0 Communication 128,4 -2,4 Recreation and entertainment 3,04 96,4 96,4 96,1 -0,3 -0,3 Reading matter 0.36 132,1 135,7 136,2 +0,4 +3,1 +7,0 Education 3,38 156,2 167,2 +7,0 156,2 Personal care 135.7 +0,1 Other 3,26 102.5 102.5 102.6 +0.1

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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 (2000=100)			Percentage change   between	
	Weights          	Mar 2005	     Feb   2006	     Mar   2006	Feb 2006 and Mar 2006	   Mar 2005   and   Mar 2006
CPIX: All items	100,00	133,9	138,4	139,1	+0,5	+3,9
Expenditure groups - Very low	0,91	134,0	139,2	140,2	+0,7	+4,6
Low	1,76		139,2	140,1	+0,6	+4,0
Middle	6,36	135,2	139,5	140,5	+0,7	+3,9
High	14,57	135,9	140,5	141,3	+0,6	+4,0
Very high	76,40	133,5	137,9	138,6	+0,5	+3,8
Commodities Services	64,50   35,50	128,9 142,5	134,1 146,0	134,5 147,3	+0,3	+4,3 +3,4
CPIX: All items, excluding housing	87,90	131,4	135,8	136,6	+0,6	+4,0
CPIX: All items, excluding food	76,29	133,3	137,2	137,9	+0,5	+3,5
Food	23,71	137,2	143,7	144,7	+0,7	+5,5
Expenditure groups - Very low	51,39	135,8	143,0	144,4	+1,0	+6,3
Low	49,01	137,4	144,5	145,7	+0,8	+6,0
Middle High	43,39	137,8 137,4	145,1 144,2	146,3 145,2	+0,8	+6,2 +5,7
Very high	15,82	137,4			+0,7	+5,7
Processed	13,45	137,3	140,6	141,0	+0,3	+2,7
Unprocessed	10,26	136,6	147,5	149,1	+1,1	+9,2
Grain products	4,31	130,8	133,2	133,7	+0,4	+2,2
Meat	6,40	140,8	154,4	155,7	+0,8	+10,6
Fish and other seafood Milk, cheese and eggs	0,76     2,21	135,4 149,4	145,6 153,8	145,8 153,4	+0,1	+7,7 +2,7
Fats and oils	0,86		132,6	132,8	+0,2	-2,9
Fruit and nuts	1,23	132,7	148,1	151,9	+2,6	+14,5
Vegetables	2,26		136,4		+2,6	+6,1
Sugar Coffee, tea and cocoa	0,57		138,3	139,1	+0,6	+7,3
Other	1,21	122,0 139,8	124,2 141,9	124,4 141,9	+0,2	+2,0 +1,5
Non-alcoholic beverages Alcoholic beverages	1,24	141,6 151,6	145,4 158,8	149,3 165,0	+2,7	+5,4 +8,8
Cigarettes, cigars and tobacco	1,29	162,3	167,2	173,9	+4,0	+7,1
Clothing and footwear	3,67	93,2	88,5	87,1	-1,6	-6,5
Clothing	2,31	95,9	92,2	91,3	-1,0	-4,8
Footwear	1,36	88,2	82,0	79,8	-2,7	-9,5
Housing Fuel and power	12,10	151,4 134,4	156,7 136,0	156,8 136,1	+0,1	+3,6 +1,3
Furniture and equipment	2,86	117,7	115,6	115,5	-0,1	-1,9
Furniture and equipment Furniture	1,08	126,2	123,6	124,0	+0,3	-1,9 -1,7
Appliances	0,90	117,6	114,0	114,0	0,0	-3,1
Other household equipment and textiles	0,88	107,5	107,4	106,7	-0,7	-0,7
Household operation	5,45	135,1	137,8	137,9	+0,1	+2,1
Household operation Household consumables	1,42	129,8	133,9	134,3	+0,1	+3,5
Domestic workers	3,93	137,3	139,5	139,5	0,0	+1,6
Other household services	0,10	115,1	117,1	117,1	0,0	+1,7
Medical care and health expenses	8,07	161,2	169,5	169,7	+0,1	+5,3
Transport	16,75	124,5	133,1	132,1	-0,8	+6,1
Vehicles Running cost	6,72     7,96	116,8 136,1	116,4 154,2	116,5 152,2	+0,1	-0,3 +11,8
Public and hired transport	2,07	109,5	110,4	110,4	0,0	+0,8
Communication	3,36	128,2	125,1	125,1	0,0	-2,4
Recreation and entertainment	3,73	97,0	97,7	97,6	-0,1	+0,6
Reading matter	0,43	133,7	137,7	138,2	+0,4	+3,4
Education Personal care	3,93     4,14	158,1 129,3	158,1 131,4	169,3 131,3	+7,1	+7,1 +1,5
Other	3,75	129,3	102,5	102,5	0,0	-0,1

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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

Indices Percentage change (2000=100) between Group/Product | Weights | ------Feb 2006 Mar 2005 and | and | Mar 2006 and 138,6 +0,4 CPIX: All items 100,00 133,5 138,0 +3.8 140,3 139,2 138,9 139,5 138,3 Expenditure groups - Very low 134,7 139,5 +0,6 +4.2 +0,6 +0,5 +0,6 +0,5 2,26 134,2 138,5 +3,7 Middle 8,11 133.9 138,1 +3,7 16,96 134,6 138,8 High +3,6 +0,4 Very high 71,28 133,1 137,7 +3,9 134,8 146,1 134,5 134.5 Commodities 66.24 129.5 +0.2 +4.1 +0,9 Services 33,76 141,1 +3,5 131,2 135,7 136,4 CPIX: All items, excluding housing 88,43 +0.5 +4.0 136,7 136,0 CPIX: All items, excluding food 74,34 132,1 +0,5 +3,5 25,66 137,7 144,1 144,7 Food +0,4 +5,1 Expenditure groups - Very low 51,24 135,1 141,0 141,5 +0,4 136,7 142,8 143,4 +0,4 +4,9 Middle 43,93 137,7 144,1 144.7 +0.4 +5,1 Hiah 33.68 138.3 144.9 145.4 +0.3 +5.1 Very high 137,8 144,2 144,7 +0,3 16,69 +5,0 +0,2 14.26 137,9 141,1 141.4 Processed +2.5 147,7 Unprocessed 11,40 137,4 148,5 +0.5 +8,1 132,9 156,7 147,0 153,2 133,4 153,6 138,2 139,5 124,1 144,2 +0,3 +0,3 -0,1 -0,2 Grain products 4,84 130,3 132,5 +2,0 Meat 6,95 142.1 156,2 +10,3 Fish and other seafood 147.2 0.78 138.3 +6.3 Milk, cheese and eggs 149,3 153,5 +2,6 137,9 -0,4 +1,5 Fats and oils 0,93 134,0 +12.0 Fruit and nuts 1.26 137.2 151.4 +1,9 +0,7 +0,2 0,0 Vegetables 132,6 135,6 2,43 +4,2 0,69 138,5 Sugar 131,3 +6,2 Coffee, tea and cocoa 1.27 121,4 123.8 Other 4,17 141.9 144.2 +1,6 Non-alcoholic beverages 140,2 142,8 147,0 163,4 147,0 157,6 +3,7 Alcoholic beverages 1,70 İ 150,7 +8,4 Cigarettes, cigars and tobacco 1.35 165.8 171,7 178,8 +4,1 +7,8 87,6 91,0 81,8 Clothing and footwear 4.06 92,9 88,4 -0,9 -5,7 Clothing 95.4 2,53 91.6 -0.7 -4.6 1,53 88,5 82,8 -7,6 Footwear -1,2 150.0 155.0 155.2 +0.1 Housing 11.57 155,2 135,8 +3.5 Fuel and power 4.28 133.5 135.7 +0.1 +1.7 Furniture and equipment 3,15 116,4 115,0 114,3 -0,6 -1,8 -0.7 Furniture 1.21 124.9 123.5 122.6 -1.8 116,5 113,9 -0,6 0.94 113.2 -2.8 Appliances Other household equipment and textiles 1,00 105,6 105,2 104,7 -0,5 -0,9 141,6 141,7 +0,1 5,22 136,4 +3,9 Household operation Household consumables 1,50 133,8 138,4 138,6 +0,1 +3,6 Domestic workers 3,59 138,2 143,7 143,7 0,0 +4,0 Other household services -0,1 0.13 115.7 118.1 118.0 +2.0 Medical care and health expenses 7,70 161.3 170.1 170.3 +0,1 +5,6 -0,6 130,2 115,3 149,2 108,2 15,30 123,2 131,0 +5,7 Transport Vehicles 5,69 115,8 115,3 0,0 -0,4 Running cost 7,32 134,4 151,0 -1,2 +11,0 0,0 Public and hired transport 2,29 107,7 108,2 +0,5 125,2 96,1 136,1 167,1 135,7 102,6 3,19 125,2 0,0 Communication 128.3 -2,4 0,0 -0,3 +0,4 +7,0 0,0 Recreation and entertainment 3,39 96,4 96,4 -0,3 Reading matter 0,40 132,0 135,6 +3,1 Education 3,77 156,1 +7,0 156,1 Personal care 102.5 +0,1 Other 3,63 102.5

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

Group/Product	      Weights	Indices (2000=100)		Percentage change between		
	weights        	Mar 2005	     Feb   2006	     Mar   2006	Feb 2006 and Mar 2006	   Mar 2005   and   Mar 2006
CPI: All items	100,00	126,9	130,5	131,2	+0,5	+3,4
Expenditure groups - Very low	0,91	133,4	138,5	139,5	+0,7	+4,6
Low	1,76	133,9	138,2	139,1	+0,7	+3,9
Middle	6,36	130,9	134,9	135,9	+0,7	+3,8
High	14,57	132,1	136,1	136,9	+0,6	+3,6
Very high	76,40	125,0	128,4	129,0	+0,5	+3,2
Commodities Services	57,14 42,86	128,9 124,3	134,1 126,0	134,5 126,9	+0,3	+4,3 +2,1
CPI: All items, excluding housing	77,86	130,8	135,2	136,0	+0,6	+4,0
PPI: All items, excluding food	80,08	124,6	127,5	128,0	+0,4	+2,7
Good, beverages and tobacco	24,63	139,7	146,2	147,8	+1,1	+5,8
Food excluding coffee, tea and cocoa	19,92	137,6	144,4	145,4	+0,7	+5,7
Grain products	3,81	130,8	133,2	133,7	+0,4	+2,2
Meat	5,66	140,8	154,4	155,6	+0,8	+10,5
Fish and other seafood	0,69	135,4	145,6	145,8	+0,1	+7,7
Milk, cheese and eggs Fats and oils	1,96	149,2 136,8	153,7 132,6	153,3 132,8	-0,3 +0,2	+2,7 -2,9
Fruit and nuts	1,09	132,7	148,1	151,9	+2,6	+14,5
Vegetables	2,00	132,1	136,4	140,0	+2,6	+6,0
Sugar Other	0,50   3,45	129,6 139,8	138,3 141,9	139,1 141,9	+0,6	+7,3 +1,5
Beverages	3,57	139,9	144,6	148,3	+2,6	+6,0
Coffee, tea and cocoa	1,07	122,0	124,2	124,4	+0,2	+2,0
Non-alcoholic beverages	1,10	141,6	145,4	149,3	+2,7	+5,4
Alcoholic beverages	1,40	151,6	158,8	165,0	+3,9	+8,8
Tobacco Cigarettes, cigars and tobacco	1,14	162,3	167,2	173,9	+4,0	+7,1
Clothing and footwear	3,25	93,3	88,6	87,2	-1,6	-6,5
Clothing	2,04	95,8	92,1	91,2	-1,0	-4,8
Footwear	1,21	88,2	82,0	79,8	-2,7	-9,5
Housing, water,electricity, gas and other fuels	25,63	116,3	117,3	117,4	+0,1	+0,9
Housing	22,14	113,4	114,3	114,4	+0,1	+0,9
Fuel and power	3,49	134,3	136,0	136,0	0,0	+1,3
Furnishings, household equipment and routine maintenance of the house	   7,35	129,5	130,6	130,6	0,0	+0,8
Furniture and equipment	2,53	117,7	115,6	115,5	-0,1	-1,9
Furniture	0,95	126,2	123,6	124,0	+0,3	-1,7
Appliances Other household equipment and	0,80	117,6	114,0	114,0	0,0	-3,1
Other household equipment and textiles	0,78	107,5	107,4	106,7	-0,7	-0,7
Household operation	4,82	135,0	137,7	137,8	+0,1	+2,1
Household consumables	1,25	129,9	134,0	134,4	+0,3	+3,5
Domestic workers Other household services	3,48   0,09	137,3 115,3	139,5	139,5	0,0	+1,6 +1,6
Other nousehold services  Health (Medical care and health expenses)	0,09   	161,2	117,2 169,5	117,2 169,7	0,0	+1,6
Fransport	14,84	124,5	133,0	132,1	-0,7	+6,1
Vehicles	5,95	116,6	116,2	116,3	+0,1	-0,3
Running cost	7,05	136,1	154,2	152,1	-1,4	+11,8
Petrol Public and hired transport	1,84	136,8 109,5	162,7 110,4	159,5 110,4	-2,0	+16,6 +0,8
-	1,04				0,0	
Leisure, entertainment and culture	3,70	103,9	104,9	104,8	-0,1	+0,9
Recreation and entertainment Reading matter	3,31   0,39	97,0 133,6	97,7 137,6	97,5 138,1	-0,2 +0,4	+0,5 +3,4
Reading matter		158,1		138,1	+0,4	+3,4
Miscellaneous goods and services	3,48	116,7	158,1 116,5	116,5	0,0	-0,2
Communication	2,98	128,1	125,1	125,1	0,0	-0,2 -2,3
Personal care	3,67	129,3	131,4	131,3	-0,1	+1,5
Other	3,32	102,7	102,6	102,6	0,0	-0,1

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

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

Indices Percentage change (2000=100) between Group/Product |Weights|--Feb 2006 Mar 2005 and | and | Mar 2006 Mar 2006 CPI: All items 127,5 131,1 131,7 +0,5 +3,3 138,7 137,4 136,6 135,5 134,1 133,2 132,6 131,6 139,5 138,1 137,4 136,2 129,6 +0,6 Expenditure groups - Very low 1.39 +4.0 +0,6 +0,5 +0,6 +0,5 +0,5 2,26 +3,7 Low Middle 8,11 +3,6 Hiah 16,96 +3.5 Very high 71,28 125,5 +3,3 +0,3 Commodities 59,42 129.7 134,6 135.0 +4.1 Services 40,58 124,6 126,5 127,5 +0,8 +2,3 79,30 131,0 135,4 136,1 +0,5 CPI: All items, excluding housing +3.9 78,12 124,8 127,7 128,3 +0,5 CPI: All items, excluding food +2,8 147,6 26,88 | 140,0 146,2 +1,0 Food, beverages and tobacco +5,4 Food excluding coffee, tea and cocoa 21,88 138.2 144,8 145,3 +0.3 +5.1 132,9 156,7 147,0 153,2 133,4 153,7 136,8 139,5 144,2 Grain products 4,34 130,3 132,5 +0,3 +2,0 +0,4 Meat 6,23 142,1 156,1 +10,3 147,1 Fish and other seafood 0.70 138.3 +6,3 Milk, cheese and eggs 2,10 149,2 153,5 -0,2 +2,7 -0,2 -0,4 +1,5 +1,9 +0,7 Fats and oils 0,84 137,9 134,0 -3,3 Fruit and nuts 1,13 137,3 151,5 +11,9 Vegetables 134.2 2.18 131.3 +4.2 0,62 131,3 138,5 +6,2 Sugar 0,0 Other 3,74 141,9 144,2 +1,6 146,7 3.79 138.8 143.1 +2.5 +5.7 Beverages +0,2 +2,9 +3,7 Coffee, tea and cocoa 1,14 121,4 123,8 124,1 +2,2 Non-alcoholic beverages 1,13 140,2 142,8 147,0 +4.9 Alcoholic beverages 1.52 150.7 157.6 163.4 +8.4 Cigarettes, cigars and tobacco 1,21 165.7 171.7 178.8 +4.1 +7,9 87,6 91,0 81,8 92,9 88,4 -0,9 Clothing and footwear 3,64 -5,7 -0,7 Clothing 91,6 -4,6 Footwear 1.37 88.5 82,8 -1,2 -7,6 118,3 115,2 135,8 Housing, water, electricity, gas and other fuels 24,54 117.1 118,2 +0,1 +1,0 +0,1 20,70 115,1 +0,9 Fuel and power 3,84 133,4 135.7 +0,1 +1,8 Furnishings, household equipment and routine 131,6 114,3 122,6 113,2 maintenance of the house 7,50 129,1 131,8 -0,2 +1,9 -0,6 -0,7 Furniture and equipment 2,82 116,4 115,0 -1,8 124,9 123.5 Furniture 1,08 -1.8 0,84 -0,6 Appliances 116.5 113.9 -2.8 Other household equipment and 0.90 105.3 104.7 105.6 -0.6 -0.9 Household operation textiles 141,6 138,3 0,0+0,2 136.4 141.6 4,68 +3.8 Household consumables 1,34 133,7 138,6 +3,7 Domestic workers 3,22 138,2 143,7 143,7 0,0 +4,0 Other household services -0,2 0.12 115.7 118.1 117.9 +1.9 Health (Medical care and health expenses) 6,90 161,3 170,1 170,3 +0,1 +5,6 13,72 123,2 131,0 130,2 -0,6 +5,7 Transport. Vehicles 5,11 115,7 115,2 115,3 +0,1 -0,3 Running cost 6,56 134.4 151,0 149,2 -1,2 +11,0 132,4 155,2 152,4 Petrol -1.8 +15.1 Public and hired transport 2,05 108,2 107,6 108,2 0,0 +0,6 103,2 96,1 136,2 Leisure, entertainment and culture 3,40 103.0 103,4 -0.2 +0.2 3,04 0,36 Recreation and entertainment 96,4 96,4 -0.3 -0,3 135,7 132,1 Reading matter +0,4 +3,1 Education 3,38 156.2 156.2 167.2 +7.0 +7.0 118,2 | 0,0 125,3 | 0,0 135,7 | 0,0 102,6 | +0,1 10,04 117,7 118,2 +0,4 Miscellaneous goods and services 2,86 Communication 128,4 125,3 -2,4 Personal care 3,92 132,2 135.7 +2.6 3,26 102.5 Other 102.5 +0.1

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

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

 		Indices (2000=100)			   Percentage change   between	
Urban area	Weights -	Mar 2005	   Feb   2006	   Mar   2006	Feb 2006   and   Mar 2006	Mar 2005   and   Mar 2006
   Western Cape	17,62	128,3	131,4	132,0	+0,5	+2,9
Cape Peninsula	11,88	126,7	129,2	129,9	+0,5	+2,5
Other urban areas	5,74	130,7	134,9	135,4	+0,4	+3,6
   Eastern Cape	5,40	129,3	134,7	135,3	+0,4	+4,6
Port Elizabeth/Uitenhage	2,28	128,7	135,3	136,0	+0,5	+5,7
East London	1,10	128,9	134,2	134,8	+0,4	+4,6
Other urban areas	2,02	130,2	134,4	134,7	+0,2	+3,5
Northern Cape	1,01	130,5	135,3	136,0	+0,5	+4,2
Kimberley	0,41	130,9	135,6	136,5	+0,7	+4,3
Other urban areas	0,60	131,2	136,0	136,6	+0,4	+4,1
   Free State	4,79	123,4	127,9	128,9	+0,8	+4,5
Bloemfontein	1,59	124,0	129,1	130,5	+1,1	+5,2
Free State Goldfields	1,22	125,0	130,8	131,6	+0,6	+5,3
Other urban areas	1,98	122,1	125,2		+0,7	+3,3
   KwaZulu-Natal	20,47	127,6	131,5	131,9	+0,3	+3,4
Durban/Pinetown	7,19	127,9	131,9	132,6	+0,5	+3,7
Pietermaritzburg	1,34	128,9	134,1	135,0	+0,7	+4,7
Other urban areas	11,94	127,1	130,8	130,9	+0,1	+3,0
North West	2,61	126,9	132,4	133,0	+0,5	+4,8
Gauteng	42,98	127,0	130,3	130,9	+0,5	+3,1
Pretoria/Centurion/Akasia	11,13	126,5	130,7	131,2	+0,4	+3,7
Witwatersrand	24,53	127,2	130,3	130,9	+0,5	+2,9
Other urban areas	7,32	127,9	131,1	131,8	+0,5	+3,0
Mpumalanga	3,63	130,0	134,2	135,0	+0,6	+3,8
Nelspruit/Witbank	1,12	125,8	129,2	130,1	+0,7	+3,4
Other urban areas	2,51	131,9	136,4	137,3	+0,7	+4,1
Limpopo Province	1,49	124,5	127,9	128,6	+0,5	+3,3
Polokwane (Pietersburg)	0,21	118,3	121,4	121,9	+0,4	+3,0
Other urban areas	1,28	127,3	130,9	131,8	+0,7	+3,5
  CPI for the historical  metropolitan and other urban area	s 100,00	127.5	131,1	131.7	+0,5	+3,3
CPI for the historical metropolitan areas		127,5  126,9	130,5	131,2	+0,5	+3,4

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

		Indices (2000=100)			Percentage change   between	
Urban area	Weights      	Mar 2005	   Feb   2006	   Mar   2006	Feb 2006 and Mar 2006	Mar 2005   and   Mar 2006
   Western Cape	17,88	136,3	142,2	143,0	+0,6	+4,9
Cape Peninsula	10,85	137,1	142,2	143,4	+0,8	+4,6
Other urban areas	7,03	137,1	144,3	144,5	+0,1	+5,4
   Eastern Cape	5,56	142,0	148,4	148,8	+0,3	+4,8
Port Elizabeth/Uitenhage	2,28	142,9	152,4	153,3	+0,6	+7,3
East London	0,76	140,8	146,3	147,6	+0,9	+4,8
Other urban areas	2,52	142,9	146,9	146,5	-0,3	+2,5
   Northern Cape	1,21	136,5	143,5	144,3	   +0,6	+5,7
Kimberley	0,43	138,0	146,7	147,4	+0,5	+6,8
Other urban areas	0,78	137,6	143,7	144,5	+0,6	+5,0
   Free State	4,92	136,3	144,3	146,2	+1,3	+7,3
Bloemfontein	1,51	148,0	159,5	163,1	+2,3	+10,2
Free State Goldfields	1,05	134,2	145,8	146,9	+0,8	+9,5
Other urban areas	2,36	132,2	136,5	138,0	+1,1	+4,4
   KwaZulu-Natal	21,35	142,1	148,2	147,9	-0,2	+4,1
Durban/Pinetown	6,78	143.0	147,3	147,9	+0,4	+3,4
Pietermaritzburg	1,68	140,4	145,7	146,9	+0,8	+4,6
Other urban areas	12,89	141,8	148,8	147,9	-0,6	+4,3
   North West	2,72	136,8	145,1	145,7	+0,4	+6,5
   Gauteng	41,19	135,6	142,2	142,9	   +0,5	+5,4
Pretoria/Centurion/Akasia	8,22	134,3	140,9	141,9	+0,7	+5,7
Witwatersrand	23,82	135,3	142,7	143,5	+0,6	+6,1
Other urban areas	9,15	137,9	142,5	142,7	+0,1	+3,5
Mpumalanga	3,65	147,6	153,0	154,0	   +0,7	+4,3
Nelspruit/Witbank	0,90	141,5	146,9	148,6	+1,2	+5,0
Other urban areas	2,75	149,8	155,2	156,0	+0,5	+4,1
   Limpopo Province	1 1,52	141,2	147,1	147,8	   +0,5	+4,7
Polokwane (Pietersburg)	0,13	145,9	150,7	151,6	+0,6	+3,9
Other urban areas	1,39	139,1	145,7	146,3	+0,4	+5,2
  CPI for the historical  metropolitan and other urban area	    s 100,00	137,7	144,0	144,6	+0,4	+5,0
CPI for the historical metropolitan areas	58,44	137,1	143,7	144,6	+0,6	+5,5

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

Urban area	          Weights	Indices (2000=100)			Percentage change between	
Urban area	Weights   	Mar 2005	   Feb   2006	Mar 2006	Feb 2006   and   Mar 2006	Mar 2005   and   Mar 2006
   Western Cape	17,28	130,7	134,4	135,1	+0,5	+3,4
Cape Peninsula	11,27	130,6	133,9	134,7	+0,6	+3,1
Other urban areas	6,01	131,5	136,1	136,6	+0,4	+3,9
   Eastern Cape	5,90	133,8	140,5	141,2	+0,5	+5,5
Port Elizabeth/Uitenhage	2,22	135,5	143,9	144,8	+0,6	+6,9
East London	1,60	133,7	140,2	141,1	+0,6	+5,5
Other urban areas	2,08	133,6	138,8	139,2	+0,3	+4,2
   Northern Cape	0,73	132,8	137,9	138,8	+0,7	+4,5
Kimberley	0,11	134,8	140,4	141,6	+0,9	+5,0
Other urban areas	0,62	133,0	137,8	138,5	+0,5	+4,1
   Free State	4,87	125,0	129,8	131,0	+0,9	+4,8
Bloemfontein	1,46	128,6	134,4	136,3	+1,4	+6,0
Free State Goldfields	1,26	126,2	131,8	132,8	+0,8	+5,2
Other urban areas	2,15	122,8	126,4	127,3	+0,7	+3,7
   KwaZulu-Natal	20,43	132,7	137,6	138,1	+0,4	+4,1
Durban/Pinetown	7,09	132,8	137,3	138,1	+0,6	+4,0
Pietermaritzburg	1,36	133,1	139,2	140,3	+0,8	+5,4
Other urban areas	11,98	132,1	137,0	137,2	+0,1	+3,9
North West	2,59	132,7	139,1	139,8	+0,5	+5,4
   Gauteng	42,97	130,1	134,1	134,8	+0,5	+3,6
Pretoria/Centurion/Akasia	11,28	129,4	133,9	134,5	+0,4	+3,9
Witwatersrand	24,08	130,5	134,5	135,2	+0,5	+3,6
Other urban areas	7,61	130,1	133,1	134,0	+0,7	+3,0
Mpumalanga	3,69	136,2	141,0	142,1	+0,8	+4,3
Nelspruit/Witbank	1,04	133,7	138,6	139,8	+0,9	+4,6
Other urban areas	2,65	137,3	142,1	143,1	+0,7	+4,2
Limpopo Province	1,54	127,4	131,9	132,8	+0,7	+4,2
Polokwane (Pietersburg)	0,17	127,4	131,7	132,4	+0,5	+3,9
Other urban areas	1,37	127,4	132,0	133,0	+0,8	+4,4
  CPI for the historical  metropolitan and other urban areas	100,00	131,0	135,4	136,1	+0,5	+3,9
CPI for the historical metropolitan areas		130,8	135,2	136,0	+0,6	+4,0

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

	     		Indices (2000=100)		Percentage change between	
Urban area	Weights -     	Mar 2005	   Feb   2006	   Mar   2006		Mar 2005   and   Mar 2006
Western Cape	17,46	126,4	128,6	129,2	+0,5	+2,2
Cape Peninsula	12,13	124,5	126,4	126,9	+0,4	+1,9
Other urban areas	5,33	129,1	132,2	132,8	+0,5	+2,9
Eastern Cape	5,31	125,8	130,9	131,5	+0,5	+4,5
Port Elizabeth/Uitenhage	2,26	124,6	130,3	130,9	+0,5	+5,1
East London	1,19	127,1	132,3	132,9	+0,5	+4,6
Other urban areas	1,86	126,8	131,1	131,8	+0,5	+3,9
Northern Cape	1,48	128,6	132,5	133,2	+0,5	+3,6
Kimberley	0,94	127,9	131,2	132,2	+0,8	+3,4
Other urban areas	0,54	129,0	133,3	133,8	+0,4	+3,7
Free State	4,72	119,4	122,7	123,5	+0,7	+3,4
Bloemfontein	1,60	118,2	121,6	122,4	+0,7	+3,6
Free State Goldfields	1,26	122,6	126,8	127,6	+0,6	+4,1
Other urban areas	1,86	118,8	121,5	122,1	+0,5	+2,8
KwaZulu-Natal	20,10	124,1	127,3	127,9	+0,5	+3,1
Durban/Pinetown	7,27	123,9	127,7	128,4	+0,5	+3,6
Pietermaritzburg	1,23	125,5	130,8	131,5	+0,5	+4,8
Other urban areas	11,60	123,3	125,6	126,3	+0,6	+2,4
North West	2,56	124,7	129,3	129,9	+0,5	+4,2
Gauteng	43,29	124,9	127,4	128,0	+0,5	+2,5
Pretoria/Centurion/Akasia	11,93	124,9	128,6	129,0	+0,3	+3,3
Witwatersrand	24,62	125,4	127,3	127,9	+0,5	+2,0
Other urban areas	6,74	126,1	128,7	129,6	+0,7	+2,8
Mpumalanga	3,61	125,1	128,9	129,8	+0,7	+3,8
Nelspruit/Witbank	1,18	122,4	125,3	126,1	+0,6	+3,0
Other urban areas	2,43	126,9	131,2	132,0	+0,6	+4,0
Limpopo Province	1,47	120,5	123,3	124,0	+0,6	+2,9
Polokwane (Pietersburg)	0,23	113,0	115,7	116,1	+0,3	+2,7
Other urban areas	1,24	124,7	127,4	128,5	+0,9	+3,0
CPI for the historical						
metropolitan and other urban areas	100,00	124,8	127,7	128,3	+0,5	+2,8
CPI for the historical						
metropolitan areas	65,85	124,6	127,5	128,0	+0,4	+2,7

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

		Indices (2000=100)			Percentage change between	
Urban area	Weights        	Mar 2005	   Feb   2006	Mar 2006	Feb 2006   and   Mar 2006	Mar 2005   and   Mar 2006
Western Cape	20,00	132,8	136,8	137,3	+0,4	+3,4
Cape Peninsula	12,55	132,1	135,6	136,1	+0,4	+3,0
Other urban areas	7,45	133,7	138,6	139,0	+0,3	+4,0
Eastern Cape	   6,08	132,6	138,1	138,7	+0,4	+4,6
Port Elizabeth/Uitenhage	3,06	130,1	136,0	136,7	+0,5	+5,1
East London	0,62	141,7	149,8	150,9	+0,7	+6,5
Other urban areas	2,40	134,3	138,7	139,0	+0,2	+3,5
Northern Cape	   1,57	136,4	142,5	143,2	+0,5	+5,0
Kimberley	0,69	136,0	142,3	143,1	+0,6	+5,2
Other urban areas	0,88	136,5	142,4	142,9	+0,4	+4,7
Free State	   5,49	125,9	131,3	132,2	   +0,7	+5,0
Bloemfontein	1,83	124,9	132,2	133,5	+1,0	+6,9
Free State Goldfields	i 0,86 i	127,1	135,1	135,8	+0,5	+6,8
Other urban areas	2,80	124,1	127,3	127,9	+0,5	+3,1
KwaZulu-Natal	   22,75	132,5	137,3	137,5	+0,1	+3,8
Durban/Pinetown	7,03	134,2	139,0	139,5	+0,4	+3,9
Pietermaritzburg	1,40	132,7	138,1	139,2	+0,8	+4,9
Other urban areas	14,32	131,6	136,3	136,3	0,0	+3,6
North West	2,40	131,6	138,1	138,7	+0,4	+5,4
Gauteng	   37,69	131,7	135,9	136,4	+0,4	+3,6
Pretoria/Centurion/Akasia	11,35	131,5	136,5	136,9	+0,3	+4,1
Witwatersrand	16,11	132,1	136,5	137,1	+0,4	+3,8
Other urban areas	10,23	130,9	133,8	134,5	+0,5	+2,8
Mpumalanga	2,41	136,8	141,9	142,9	+0,7	+4,5
Nelspruit/Witbank	0,26	138,4	143,9	145,6	+1,2	+5,2
Other urban areas	2,15	136,6	141,6	142,5	+0,6	+4,3
Limpopo Province	1,61	128,8	133,4	134,1	+0,5	+4,1
Polokwane (Pietersburg)	0,26	134,4	139,0	140,2	+0,9	+4,3
Other urban areas	1,35	128,1	132,8	133,5	+0,5	+4,2
CPI for the historical metropolitan and other urban areas	 	132,0	136,5	137,0	+0,4	+3,8
CPI for the historical						
metropolitan areas	56,03	132,2	136,9	137,4	+0,4	+3,9

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#### **EXPLANATORY NOTES**

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#### Introduction

- This publication contains results of the monthly Survey of Consumer (Retail) Prices. The results of the survey are used to compile the Consumer Price Index (CPI), an economic indicator, which indicates the changes in the prices of consumer goods and services. The annual percentage change in the Consumer Price Index indicates the inflation rate. These statistics are used by the private sector in the analysis of comparative business performance, as well as for contract price adjustments. It is also used in the determination of economic and social policy.
- 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.
- 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.
- 5 Every five years the results from this survey are used to identify the goods and services bought by a typical consumer or household and which should be included in the basket of goods and services used to monitor price changes.
- 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 (see paragraphs 7 and 8), the new weight for a specific product/group was calculated by dividing total expenditure by all households in South Africa on the specific product/group by total expenditure on all goods and services by all households in South Africa. Stats SA implemented the new weights, i.e. the 2000 weights based on the 2000 Survey of Income and Expenditure of Households, as from the January 2002 CPI publication.

# Basket of goods and services

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

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- 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

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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

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 12 metropolitan and 40 other urban areas in the nine provinces. The results of the survey are used to compile the Consumer Price Index, an economic indicator.
- Prices of goods and services included in the CPI are collected during the first three weeks of the month. 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.

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

- Bread.
- Meat.
- Milk.
- Vegetables and fruit.
- Other groceries.
- Alcoholic beverages.
- Sweets, non-alcoholic beverages, ice-cream and tobacco products.
- Clothing and footwear.
- Repairs of clothing, footwear and furniture.
- Interest rates on mortgage bonds.
- Coal and wood.
- New vehicles, repairs and services.
- Motor spare parts and accessories.
- Petrol
- Newspapers and magazines.
- Entrance fees drive inns and bioscopes.
- Air transport fees.
- Cellular phone tariffs.
- Furniture and equipment.
- Medicine.
- Garden tools.
- Washing ironing and dry-cleaning.
- Sport equipment.
- Reading matter and stationery.
- Tariffs of hairdressing services.
- Ironware and crockery.
- New and retread tyres.
- Household textiles.
- Electrical appliances and equipment.
- Medical, toilet and photographic requisites and services.
- Musical instruments.
- Prices of pets.

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

Items/products	Months of survey
Rent of dwellings.	January, April, July and October.
Motor vehicle insurance.	March, June, September and December.

#### 19 Prices of items/products collected annually:

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

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

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

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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 12 major metropolitan areas, covering all nine provinces, are included in the geographical sample for price collection. The "other urban areas" are covered by nine provincial samples of four to five urban areas each, depending on the population size of the area. Therefore, a total of 40 "other urban areas" is sampled.
- Thirdly, for each of the 52 sample areas, a retail trade and service outlet sampling frame is constructed, based on available data sources, mainly the business register of Stats SA, telephone directories and lists obtained from the head offices of chain stores. The sample is purposively distributed geographically within areas. Specific retail trade and service outlets are selected randomly within each area. Prices are collected from department stores, as well as specialist shops. The sample of outlets is revised every five years when the weights are revised.
- 27 Currently, an average of 110 000 price quotations are collected each month from approximately 2 200 outlets. The indices are based on retail trade and service prices.

#### **Pricing basis**

Price information refers to the first three weeks of the 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.

Calculating	
product	
price indices	

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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)

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In other countries in the world such as New Zealand, Sweden and Australia, which adopted inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, the Core index excluding petrol and the CPIX. Stats SA has accordingly calculated these measures and only the CPIX and the Core index are included in this release (see table 1 on page 14).

# CPI for administered prices

An administered price can be defined as the price of a product, which is set consciously by an individual producer or group of producers and/or any price, which can be determined or influenced by government, either directly, or through one or other government agencies/institutions without reference to market forces.

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#### 38 Basket of administered prices:

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

# CPI for regulated prices

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Regulated prices are those administered prices that are said to be monitored and controlled by government policy. To this end, price regulation does not necessarily imply the presence of an economic regulator, but the restriction on the extent to which prices may vary, depending on government's policy objective.

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

### Reliability of estimates

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

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

- Bulletin of Statistics; and
- SA Statistics.

### Unpublished statistics

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

# Symbols and abbreviations

Stats SA Statistics South Africa

.. not available

nil or not applicable

\* revised since previous publication

avg average

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#### **GLOSSARY**

### Annual inflation rate

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

### Annual percentage change

The annual percentage change is the change in the index of the relevant month of the current year compared with the index of the same month in the previous year expressed as a percentage.

### Average annual inflation rate

The average annual inflation rate is the change in the average CPI for all items of one year compared with the average CPI for all items of the previous year expressed as a percentage.

# Average annual percentage change

The average annual percentage change is the change in the average index of one year compared with the average index of the previous year expressed as a percentage.

#### CPI excluding interest rates on mortgage bonds (CPIX)

The CPI excluding interest rates on mortgage bonds (CPIX) is derived by excluding the interest rates on mortgage bonds from the basket of goods and services, which is used to compile the Consumer Price Index.

In other countries in the world such as New Zealand, Sweden and Australia, which adopted inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, and the CPI excluding interest rates on mortgage bonds. Stats SA has accordingly calculated these measures and the CPI excluding interest rates on mortgage bonds CPIX, is included in this release (see table 1 on page 14).

# **CPI for administered prices**

An administered price is defined as the price of a product, which is set consciously by an individual producer or group of producers and/or any price, which can be determined or influenced by government, either directly, or through one or other government agencies/institutions without reference to market forces.

### **CPI for regulated prices**

Regulated prices are those administered prices that are said to be monitored and controlled by government policy. To this end, price regulation does not necessarily imply the presence of an economic regulator, but the restriction on the extent to which prices may vary, depending on government's policy objective.

#### Core inflation

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

#### Core index

The core index is derived by exclusions from the CPI on the basis that changes in their prices are policy. Exclusions from the CPI to obtain the core index, and the reasons for exclusion are as follows –

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

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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 12 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 Mpumalanga, the main urban areas and Nelspruit/Witbank in each of these provinces were selected as metropolitan areas. As from 2002 the Klerksdorp/Orkney/Stilfontein area is included under other urban areas as the coverage in the IES was not comprehensive enough to determine a weighting structure for this area.

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.

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#### FOR MORE INFORMATION

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