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

October 2002

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

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

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

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#### **EXECUTIVE SUMMARY**

#### **KEY FIGURES AT OCTOBER 2002**

		Indices (2000=100)		Percentage change between			
Main Indices	October 2001	September 2002	October 2002	September 2002 and October 2002		October 2001 and October 2002	
				Actual %	Seasonally adjusted %	Actual %	
CPI (metropolitan areas)	106,1	119,5	121,5	+ 1,7	+ 1,9	+14,5	
CPI excluding interest rates on mortgage bonds (CPIX) (metropolitan and other urban areas)	108,1	120,3	121,6	+ 1,1	+ 1,3	+12,5	

#### **KEY FINDINGS AT OCTOBER 2002**

The headline inflation rate at October 2002 (i.e. the Consumer Price Index for the historical metropolitan areas at October 2002 compared with that at October 2001) is 14,5%, which is the highest since July 1992, when it was 14.7%.

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at October 2002 compared with that at October 2001) is 14,5% at October 2002. This rate is 2,0 percentage points higher than the corresponding annual rate of 12,5% at September 2002 (cf. table 2.1, p. 13), mainly due to larger annual contributions reflected at October 2002 in the price indices for housing (with a contribution of 5,6 percentage points to the 14,5% official inflation rate), food (with a contribution of 4,2 percentage points to the 14,5% official inflation rate) (cf. table 3, p. 14), than the annual contributions reflected at September 2002 for housing (with a contribution of 4,2 percentage points to the 12,5% official inflation rate), food (with a contribution of 4,0 percentage points to the 12,5% official inflation rate) and transport (with a contribution of 1,4 percentage points to the 12,5% official inflation rate. From September 2002 to October 2002 the Consumer Price Index for the historical metropolitan areas increased by 1,7% and the seasonally adjusted index increased by 1,9%.

The annual increase of 14,5% in the Consumer Price Index for the historical metropolitan areas is mainly due to annual increases in the price indices for housing (+ 5,6 percentage points), food (+ 4,2 percentage points), transport (+ 1,5 percentage points), medical care and health expenses (+ 1,0 percentage point) and personal care (+ 0,4 of a percentage point) (cf. table 3, p. 14).

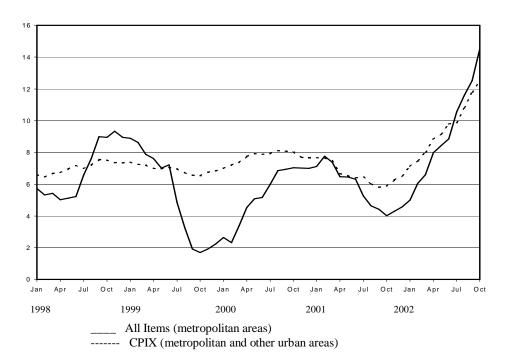
The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan and other urban areas is 12,5% at October 2002 (i.e. the CPIX at October 2002 compared with that at October 2001)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the historical metropolitan and other urban areas is 12,5% at October 2002 (i.e. the CPIX at October 2002 compared with that at October 2001). This rate is 0,7 of a percentage point higher than the corresponding annual rate of 11,8% at September 2002 (cf. table 2.2, p. 13). From September 2002 to October 2002 the CPIX for the historical metropolitan and other urban areas increased by 1,1% and the seasonally adjusted index increased by 1,3%.

The annual increase of 12,5% in the CPIX for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for food (+5,3 percentage points), housing, excluding interest rates on mortgage bonds (+2,4 percentage points, due to increases in all components in certain areas), transport (+1,4 percentage points), medical care and health expenses (+1,1 percentage points) and personal care (+0,5 of a percentage point) (cf. table 9, p. 15).

Figure 1 – Annual percentage change in the Consumer Price Index





Source: Stats SA

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#### HISTORICAL METROPOLITAN AREAS

#### **KEY FIGURES AT OCTOBER 2002**

 $\label{eq:consumer} \textbf{Table A-Consumer Price Index} \ (\textbf{CPI}) \ \textbf{and the inflation rate for the metropolitan areas according to main indices}$ 

indices		
	Indices	Percentage change between

		(2000=100)				
Main Indices	October 2001	September 2002	October 2002	September 2002 and October 2002		October 2001 and October 2002
				Actual %	Seasonally Adjusted %	Actual %
CPI	106,1	119,5	121,5	+ 1,7	+ 1,9	+ 14,5
CPI excluding interest rates on mortgage bonds (CPIX)	108,3	120,8	122,1	+ 1,1	+ 1,4	+ 12,7
Core index	108,7	120,2	121,3	+ 0,9	+ 1,1	+ 11,6
Food price index	107,6	126,4	128,9	+ 2,0	+ 1,7	+ 19,8
CPI excluding food price index	105,8	117,8	119,6	+ 1,5	+ 1,8	+ 13,0
CPI excluding Value Added Tax (VAT)	106,1	119,5	121,5	+ 1,7	+ 1,9	+14,5

#### **KEY FINDINGS AT OCTOBER 2002**

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at October 2002 compared with that at October 2001) is 14,5% at October 2002. This rate is 2,0 percentage points higher than the corresponding annual rate of 12,5% at September 2002 (cf. table 2.1, p. 13), mainly due to larger annual contributions reflected at October 2002 in the price indices for housing (with a contribution of 5,6 percentage points to the 14,5% official inflation rate), food (with a contribution of 4,2 percentage points to the 14,5% official inflation rate) (cf. table 3, p. 14), than the annual contributions reflected at September 2002 for housing (with a contribution of 4,2 percentage points to the 12,5% official inflation rate), food (with a contribution of 4,0 percentage points to the 12,5% official inflation rate) and transport (with a contribution of 1,4 percentage points to the 12,5% official inflation rate. From September 2002 to October 2002 the Consumer Price Index for the historical metropolitan areas increased by 1,7% and the seasonally adjusted index increased by 1,9%.

The annual increase of 14,5% in the Consumer Price Index for the historical metropolitan areas is mainly due to annual increases in the price indices for housing (+ 5,6 percentage points), food (+ 4,2 percentage points), transport (+ 1,5 percentage points), medical care and health expenses (+ 1,0 percentage point) and personal care (+ 0,4 of a percentage point) (cf. table 3, p. 14).

The Consumer Price Index for the historical metropolitan areas increased by 1,7% from September 2002 to October 2002. This monthly increase is due to monthly increases in the price indices for housing (+ 0,9 of a percentage point, mainly due to an 1% increase in interest rates on mortgage bonds), food (+ 0,5 of a percentage point), transport (+ 0,2 of a percentage point, mainly due to an increase of 9c/1 in the petrol price) and personal care (+ 0,1 of a percentage point) (cf. table 4, p. 14).

Annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) is 12,7% at October 2002 (i.e. the percentage change in the CPIX at October 2002 compared with that at October 2001)

The annual percentage change in the CPIX for the historical metropolitan areas is 12,7% at October 2002 (i.e. the percentage change in the CPIX at October 2002 compared with that at October 2001). This rate is 0,6 of a

percentage point higher than the corresponding annual rate of 12,1% at September 2002. From September 2002 to October 2002 the CPIX for the historical metropolitan areas increased by 1,1% and the seasonally adjusted index increased by 1,4%.

The annual increase of 12,7% in the CPIX for the historical metropolitan areas is mainly due to annual increases in the price indices for food (+ 4,6 percentage points), housing, excluding interest rates on mortgage bonds (+ 2,7 percentage points, due to increases in all components in certain areas), transport (+ 1,7 percentage points) and medical care and health expenses (+ 1,2 percentage points) (cf. table 7, p. 15).

From September 2002 to October 2002 the CPIX for the historical metropolitan areas increased by 1,1%. This monthly increase is due to monthly increases in the price indices for food (+0,5) of a percentage point, housing, excluding interest rates on mortgage bonds (+0,3) of a percentage point, transport (+0,2) of a percentage point, mainly due to an increase of 9c/l in the petrol price) and personal care (+0,1) of a percentage point) (cf. table 8, p. 15).

#### Core inflation rate

The core inflation rate for the historical metropolitan areas (cf. explanatory notes 33, 34 and 35 on page 33) is 11,6% at October 2002 (i.e. the core index at October 2002 compared with that at October 2001). This rate is 0,6 of a percentage point higher than the corresponding annual rate of 11,0% at September 2002. From September 2002 to October 2002 the core index for the historical metropolitan areas increased by 0,9% and the seasonally adjusted index increased by 1,1% for the same period.

The annual increase of 11,6% in the core index for the historical metropolitan areas is mainly due to annual increases in the price indices for housing (+ 3,1 percentage points, due to increases in all components in certain areas), transport (+ 2,0 percentage points), food (+ 1,9 percentage points) and medical care and health expenses (+ 1,4 percentage points) (cf. table 11, p. 16).

From September 2002 to October 2002 the core index for the historical metropolitan areas increased by 0,9%. This monthly increase is due to monthly increases in the price indices for housing (+0.3) of a percentage point, due to increases in all components in certain areas), transport (+0.3) of a percentage point, mainly due to an increase of 9c/l in the petrol price), food (+0.2) of a percentage point) and personal care (+0.1) of a percentage point), (cf. table 12, p. 16).

#### Food inflation

The price index for food reflects an annual rate of increase of 19,8% at October 2002 (i.e. the CPI for food at October 2002 compared with that at October 2001). This rate is 0,7 of a percentage point higher than the corresponding annual rate of 19,1% at September 2002. From September 2002 to October 2002 this index increased by 2,0% and the seasonally adjusted index increased by 1,7%.

Annual increases occurred in the price indices for meat (+24,2%), vegetables (+23,6%), grain products (+22,5%), milk, cheese and eggs (+16,8%), "other" food products (+15,3%), fruit and nuts (+15,2%), fats and oils (+15,1%), sugar (+13,2%), coffee, tea and cocoa (+11,9%) and fish and other seafood (+11,9%) (cf. table 15, p. 17).

Monthly increases occurred in the price indices for vegetables (+3,8%), meat (+3,3%), fruit and nuts (+3,0%), grain products (+1,9%), coffee, tea and cocoa (+1,6%), "other" food products (+1,2%), milk, cheese and eggs (+0,6%) and fish and other seafood (+0,6%). These monthly increases were partially counteracted by relatively large monthly decreases in the price indices for sugar (-1,9%) and fats and oils (-0,8%) (cf. table 15, p. 17).

#### Price index for non-food items

The price index for non-food items shows an annual rate of increase of 13,0% at October 2002 (i.e. the price index for non-food items at October 2002 compared with that at October 2001). This rate is 2,1 percentage points higher than the corresponding annual rate of 10,9% at September 2002. From September 2002 to October 2002 this index increased by 1,5% and the seasonally adjusted index increased by 1,8%.

Relatively large annual increases occurred in the price indices for housing (+26,3%), medical care and health expenses (+13,5%), cigarettes, cigars and tobacco (+11,6%), personal care (+10,5%), furniture and equipment (+10,3%), transport (+10,1%), non-alcoholic beverages (+10,1%), alcoholic beverages (+8,8%), reading matter (+7,7%) and education (+7,5%) (cf. table 15, p.17).

Relatively large monthly increases occurred in the price indices for housing (+3,9%, mainly due to an 1% increase in interest rates on mortgage bonds), non-alcoholic beverages (+2,4%), transport (+1,4%), mainly due to an increase of 9c/l in the petrol price) and "other" products (+1,3%) (cf. table 15, p. 17).

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

An alternative expression of the change in the Consumer Price Index is to annualise the percentage change between the average index of the three months up to October 2002 and the average index of the previous three months. This approach, when using seasonally adjusted data shows an increase of 16,2% (which is 1,6 percentage points higher than the corresponding rate of 14,6% for September 2002), while the unadjusted data shows an increase of 14,2% (which is 0,7 percentage point higher than the corresponding rate of 13,5% for September 2002).

#### **Pensioners**

The annual inflation rate for pensioners in the historical metropolitan areas is 12,5% at October 2002 (i.e. the CPI for pensioners at October 2002 compared with that at October 2001), which is 1,0 percentage point higher than the corresponding rate of 11,5% at September 2002 (cf. table 27, p. 28).

#### HISTORICAL METROPOLITAN AND OTHER URBAN AREAS

#### **KEY FIGURES AT OCTOBER 2002**

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

	Indices (2000=100)					Percentage change between			
Main Indices	October 2001	September 2002	October 2002	September 2002 and October 2002		October 2001 and October 2002			
				Actual %	Seasonally Adjusted %	Actual %			
CPI	106,1	119,2	121,1	+1,6	+ 1,5	+14,1			
CPI excluding interest rates on mortgage bonds (CPIX)	108,1	120,3	121,6	+ 1,1	+ 1,3	+ 12,5			
Core index	108,3	119,5	120,4	+ 0,8	+ 0,9	+ 11,2			
Food price index	107,7	127,6	130,1	+ 2,0	+ 1,9	+ 20,8			
CPI excluding food price index	105,8	117,2	118,9	+ 1,5	+ 1,7	+ 12,4			
CPI excluding Value Added Tax (VAT)	106,1	119,2	121,1	+ 1,6	+ 1,5	+14,1			

#### **KEY FINDINGS AT OCTOBER 2002**

Inflation rate for the historical metropolitan and other urban areas is 14,1% at October 2002 (i.e. the CPI at October 2002 compared with that at October 2001)

The inflation rate for the historical metropolitan and other urban areas is 14,1% at October 2002 (i.e. the CPI at October 2002 compared with that at October 2001). This rate is 1,8 percentage points higher than the corresponding annual rate of 12,3% at September 2002, mainly due to larger annual contributions reflected at October 2002 in the price indices for housing, food transport and clothing and footwear than the annual contributions reflected at September 2002 in the price indices for these items (cf. table 5, p. 14). From September 2002 to October 2002 the Consumer Price Index for the historical metropolitan and other urban areas increased by 1,6% and the seasonally adjusted index increased by 1,5%.

The annual increase of 14,1% in the Consumer Price Index for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for food (+ 4,9 percentage points), housing (+ 4,9 percentage points), transport (+ 1,3 percentage points) and medical care and health expenses (+ 0,9 of a percentage point) (cf. table 5, p. 14).

From September 2002 to October 2002 the Consumer Price Index for the historical metropolitan and other urban areas increased by 1,6%. This monthly increase is due to monthly increases in the price indices for housing (+ 0,8 of a percentage point, mainly due to an increase in the interest rates on mortgage bonds), food (+ 0,5 of a percentage point), transport (+ 0,2 of a percentage point, mainly due to an increase of 9c/1 in the petrol price) and personal care (+ 0,1 of a percentage point) (cf. table 6, p. 14).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan and other urban areas is 12,5% at October 2002 (i.e. the CPIX at October 2002 compared with that at October 2001)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the historical metropolitan and other urban areas is 12,5% at October 2002 (i.e. the CPIX at October 2002 compared with that at October 2001). This rate is 0,7 of a percentage point higher than the corresponding annual rate of 11,8% at September 2002 (cf. table 2.2, p. 13). From September 2002 to October 2002 the CPIX for the historical metropolitan and other urban areas increased by 1,1% and the seasonally adjusted index increased by 1,3%.

The annual increase of 12,5% in the CPIX for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for food (+5,3 percentage points), housing, excluding interest rates on mortgage bonds (+2,4 percentage points, due to increases in all components in certain areas), transport (+1,4 percentage points), medical care and health expenses (+1,1 percentage points) and personal care (+0,5 of a percentage point) (cf. table 9, p. 15).

From September 2002 to October 2002 the CPIX for the historical metropolitan and other urban areas increased by 1,1%. This monthly increase was due to monthly increases in the price indices for food (+ 0,6 of a percentage point), housing, excluding interest rates on mortgage bonds (+ 0,2 of a percentage point), transport (+ 0,2 of a percentage point, mainly due to an increase of 9c/l in the petrol price) and personal care (+ 0,1 of a percentage point) (cf. table 10, p. 15).

#### **Core inflation rate**

The core inflation rate for the historical metropolitan and other urban areas (cf. explanatory notes 33, 34 and 35 on page 33) is 11,2% at October 2002 (i.e. the core index at October 2002 compared with that at October 2001), which is 0,6 of a percentage point higher than the corresponding annual rate of 10,6% at September 2002. From September 2002 to October 2002 the core index for the historical metropolitan and other urban areas increased by 0,8% and the seasonally adjusted index increased by 0,9%.

The annual increase of 11,2% in the core index for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for food (+ 2,7 percentage points), housing (+ 2,6 percentage points), transport (+ 1,6 percentage points), medical care and health expenses (+ 1,2 percentage points) and personal care (+ 0,5 of a percentage point) (cf. table 13, p. 16).

From September 2002 to October 2002 the core index for the historical metropolitan and other urban areas increased by 0.8%. This monthly increase is due to monthly increases in the price indices for housing (+ 0.3 of a percentage point), food (+ 0.2 of a percentage point), transport (+ 0.2 of a percentage point, mainly due to an increase of 9c/l in the petrol price) and personal care (+ 0.1 of a percentage point) (cf. table 14, p. 16).

#### Food inflation

The price index for food reflects an annual rate of increase of 20,8% at October 2002 (i.e. the CPI for food at October 2002 compared with that at October 2001). This rate is 0,6 of a percentage point higher than the corresponding annual rate of 20,2% at September 2002. From September 2002 to October 2002 this index increased by 2,0% and the seasonally adjusted index increased by 1,9%.

Annual increases occurred in the price indices for vegetables (+25,6%), meat (+24,3%), grain products (+24,2%), fruit and nuts (+17,1%), milk, cheese and eggs (+16,7%), "other" food products (+16,6%), fats and oils (+15,4%), fish and other seafood (+15,0%), sugar (+13,0%) and coffee, tea and cocoa (+12,5%) (cf. table 16, p. 18).

Monthly increases occurred in the price indices for vegetables (+4,4%), meat (+3,3%), fruit and nuts (+2,9%), grain products (+1,5%), coffee, tea and cocoa (+1,3%), "other" food products (+1,0%), fish and other seafood (+0,6%) and milk, cheese and eggs (+0,4%). These monthly increases were partially counteracted by relatively large monthly decreases in the price indices for sugar (-1,5%) and fats and oils (-0,9%) (cf. table 16, p. 18).

#### Price index for non-food items

The price index for non-food items shows an annual rate of increase of 12,4% at October 2002 (i.e. the non-food index at October 2002 compared with that at October 2001). This rate is 1,9 percentage points higher than the

corresponding annual rate of 10,5% at September 2002. From September 2002 to October 2002 this index increased by 1,5% and the seasonally adjusted index increased by 1,7%.

Relatively large annual increases occurred in the price indices for housing (+24,2%), medical care and health expenses (+13,1%), cigarettes, cigars and tobacco (+12,3%), personal care (+10,9%), furniture and equipment (+10,1%), transport (+9,4%), non-alcoholic beverages (+9,2%), %), alcoholic beverages (+8,4%) and education (+8,2%) (cf. table 16, p.18).

Relatively large monthly increases occurred in the price indices for housing (+3,7%, mainly due to an 1% increase in interest rates on mortgage bonds), non-alcoholic beverages (+2,0%), transport (+1,4%), mainly due to an increase of 9c/l in the petrol price), "other "products (+1,3%) and clothing and footwear (+0,5%) (cf. table 16, p. 18).

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

An alternative expression of the change in the Consumer Price Index is to annualise the percentage change between the average index of the three months up to October 2002 and the average index of the previous three months. This approach, when using seasonally adjusted data shows an increase of 16,2% (which is 1,6 percentage points higher than the corresponding rate of 14,6% for September 2002), while the unadjusted data shows an increase of 14,1%, (which 0,4 of a percentage point higher than the corresponding rate of 13,7% for September 2002).

#### Areas indices

The Port Elizabeth/Uitenhage area, recorded the highest annual inflation rate of 15,7%, while the lowest annual inflation rate of 9,0% was recorded for the other urban areas in the Free State (cf. table 21, p. 23).

Regarding food prices, the highest annual inflation rate of 28,8% was recorded for the other urban areas in the Eastern Cape, while the other urban areas in the Free State recorded the lowest annual increase of 16,8% (cf. table 22, p. 24).

#### **Pensioners**

The annual inflation rate for pensioners in the historical metropolitan and other urban areas is 12,8% at October 2002 (i.e. the CPI for pensioners at October 2002 compared with that at October 2001) (cf. table 27, p. 28). The Port Elizabeth/Uitenhage area, recorded the highest annual rate of increase of 16,5%, while the lowest annual rate of increase of 9,3% was recorded for the other urban areas in the Free State.

#### **CPI FOR NOVEMBER 2002**

In addition to the usual price surveys for November 2002, a survey of hospital fees, electricity and motor insurance in certain areas will be undertaken, as it has come to Stats SA's attention that price changes in these items will be introduced during the first seven days of November 2002.

pp P J Lehohla

Statistician-General: Statistics South Africa

Forthcoming issues

Issue

**Expected date for publication** 

November 2002 December 2002 January 2003 February 2003 March 2003 April 2003

17 December 2002 28 January 2003 18 February 2003 18 March 2003 15 April 2003 20 May 2003

### Purpose of the survey

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

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

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

#### Updating the CPI Basket

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

#### **CPIX**

In other countries in the world such as New Zealand, Sweden and Australia, which adopted inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, and the CPI excluding interest rates on mortgage bonds (CPIX). Stats SA has accordingly calculated these measures and the CPIX, the most recent addition to the CPI suite, is included in this release (cf. table 2.2, p. 13).

Stats SA releases detailed figures on the CPIX (cf. tables 17 and 18 on pages 19 and 20). The detailed figures were introduced and published as from February 2000.

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

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

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

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

accounts, the production price index, consumer price index, labour market and population.

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

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

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

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

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

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

An IMF delegation visited South Africa from 7 to 18 May 2001 and produced a draft data ROSC for South Africa that will be finalised during the third quarter of 2001. This ROSC will indicate to which extent South Africa has observed the IMF's requirements.

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

		Indices (2000=100)		Percentage change between			
Expenditure group/Area indices	         Oct	       Sep	       Oct		Oct 2001 and Oct 2002		
	2001   	2002   	2002   	   Actual     %	Seasonally adjusted %	Actual %	
Expenditure group indices		 	 				
Very low expenditure	   108,4 	   123,7 	   125,7 	   +1,6 	+1,6	+16,0	
Low expenditure	108,8	   124,2 	   126,3 	+1,7	+1,7	+16,1	
Middle expenditure	   108,0 	   122,4 	   124,3 	   +1,6	+1,6	+15,1	
High expenditure	107,5	   121,6 	123,5	   +1,6	+1,6	+14,9	
Very high expenditure	105,5	118,3	120,3	+1,7	+1,9	+14,0	
All expenditure groups - Metropolitan areas Metropolitan and other urban	106,1	119,5	121,5	+1,7	+1,9	+14,5	
areas	106,1	119,2 	121,1 	+1,6 	+1,5	+14,1	
CPI excluding interest rates on mortgage bonds (CPIX) - Metropolitan areas Metropolitan and other urban areas	108,3	   120,8   120,3	     122,1     121,6	+1,1	+1,4	+12,7 +12,5	
Core index - Metropolitan areas	108,7	120,2	121,3	+0,9	+1,1	+11,6	
Metropolitan and other urban areas	108,3	119,5	120,4	+0,8	+0,9	+11,2	
Food only index - Metropolitan areas Metropolitan and other urban	107,6	126,4	128,9	+2,0	+1,7	+19,8	
areas	107,7	127,6	130,1	+2,0	+1,9	+20,8	
CPI excluding food - Metropolitan areas Metropolitan and other urban	105,8	117,8	     119,6   118.9	+1,5 +1,5	+1,8	+13,0	
areas	105,8	117,2 	118,9		· 	<u>-</u>	
CPI excluding VAT Metropolitan areas Metropolitan and other urban	   106,1 	   119,5 	   121,5 	1)	+1,9	+14,5	
areas	106,1	119,2	121,1	+1,6	+1,5	+14,1	

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

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

Base year: 2000 = 100

| Year | Index | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Ave. |
| Index | +96.9 | +96.6 | +97.6 | +98.9 | +99.3 | +99.9 | 100.8 | 101.2 | 101.7 | 102.0 | 102.2 | 102.5 | 100.0 |
| 2000 | % 1) | + 2.6 | + 2.3 | + 3.4 | + 4.5 | + 5.1 | + 5.2 | + 6.0 | + 6.9 | + 6.9 | + 7.0 | + 7.0 | + 7.0 | + 7.0 | + 5.4 | 2)
| Index | 103.8 | 104.1 | 104.8 | 105.3 | 105.7 | 106.2 | 106.1 | 105.9 | 106.2 | 106.1 | 106.6 | 107.2 | 105.7 |
| 2001 | % 1) | + 7.1 | + 7.8 | + 7.4 | + 6.5 | + 6.4 | + 6.3 | + 5.3 | + 4.6 | + 4.4 | + 4.0 | + 4.3 | + 4.6 | + 5.7 | 2)
| Index | 109.0 | 110.4 | 111.7 | 113.7 | 114.6 | 115.6 | 117.3 | 118.2 | 119.5 | 121.5 | ... | ... |
| 2002 | % 1) | + 5.0 | + 6.1 | + 6.6 | + 8.0 | + 8.4 | + 8.9 | 10.6 | 11.6 | 12.5 | 14.5 | ... | ... | ... |

Table 2.2 - The Consumer Price Index excluding interest rates on mortgage bonds on a monthly basis for the metropolitan and other urban areas

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.  Ave	.
2000													102,6   100	
2001													109,3   100	
2002	Index  % 1)	111,2 +7,1	111,9	113,3 +8,0	114,7 +8,8	115,6	116,7 +9,8	117,9	118,9	120,3	121,6 12,5			2)

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

Group	Contribution at   September 2002	Contribution at     October 2002
Food	4,0	4,2
Non-alcoholic beverages	0,1	0,2
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	0,0	0,1
Housing	4,2	5,6
Fuel and power	0,2	0,2
Furniture and equipment	0,2	0,2
Household operation	0,2	0,2
Medical care and health expenses	1,0	1,0
Transport	1,4	1,5
Communication	0,1	0,1
Recreation and entertainment	0,1	0,1
Education	0,2	0,2
Personal care	0,4	0,4
Other	0,2	0,3
All groups	12,5	14,5

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

Group	Contribution at   September 2002	Contribution at   October 2002
Food Housing Medical care and health expenses Transport Personal care	0,4 0,3 0,1 0,2 0,1	0,5 0,9 0,0 0,2 0,1
All groups	1,1	1,7

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

Group	Contribution at   September 2002	Contribution at   October 2002
Food	4,6	4,9
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,1	0,1
Cigarettes, cigars and tobacco	0,2	0,2
Clothing and footwear	0,0	0,1
Housing	3,7	4,9
Fuel and power	0,2	0,2
Furniture and equipment	0,2	0,2
Household operation	0,2	0,2
Medical care and health expenses	0,9	0,9
Transport	1,2	1,3
Communication	0,1	0,1
Recreation and entertainment	0,1	0,1
Education	0,2	0,2
Personal care	0,4	0,4
Other	0,1	0,2
All groups	12,3	14,1

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

Group	Contribution at   September 2002	Contribution at     October 2002
Food Housing Medical care and health expenses Transport Personal care	0,4 0,2 0,1 0,2 0,1	0,5 0,8 0,0 0,2 0,1
All groups	1,0	1,6

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

Group | Contribution at | Contribution at September 2002 | October 2002 Food Non-alcoholic beverages 0,1 0,1 Alcoholic beverages Cigarettes, cigars and tobacco 0,1 0,1 Clothing and footwear 0,0 Housing
Fuel and power
Furniture and equipment
Household operation 2,7 2,9 0,3 0,3 0,2 Medical care and health expenses 1,7 Transport 1,5 Communication 0,1 0,1 Recreation and entertainment 0,1 0,1 Education 0,3 0,3 0,4 0,5 Personal care All groups 12,1 12.7

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

Group	Contribution at   September 2002	Contribution at October 2002
Food Housing Furniture and equipment Medical care and health expenses Transport Personal care	0,5 0,3 0,1 0,1 0,2 0,2	0,5 0,3 0,0 0,0 0,2 0,1
All groups	1,3	1,1

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

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

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

Group	Contribution at   September 2002	Contribution at     October 2002
Food Housing Medical care and health expenses Transport Personal care	0,5 0,3 0,1 0,2 0,1	0,6 0,2 0,0 0,2 0,1
All groups	1,2	1,1

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

Group | Contribution at | Contribution at September 2002 October 2002 -----------Food 1,9 1,9 Non-alcoholic beverages 0,1 0,2 Alcoholic beverages 0,3 0,3 Cigarettes, cigars and tobacco Clothing and footwear 0,2 0,3 0,0 Housing
Fuel and power
Furniture and equipment 0,2 0.2 0,3 0,4 Household operation 0,2 Medical care and health expenses 1,4 1,4 1,9 Transport Communication 0,2 0,2 Recreation and entertainment Education 0,4 0,4 Personal care 0,6 0.6 Other 0,2 0,2 All groups 11,0

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

	Group	Contribution at   September 2002	Contribution at     October 2002
Medic	ture and equipment al care and health expenses	0,2 0,3 0,1 0,1 0,3 0,1	0,2 0,3 0,0 0,0 0,3 0,1
All g	roups	1,1	0,9

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

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

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

Group	Contribution at   September 2002	Contribution at   October 2002
Food Housing Furniture and equipment Medical care and health expenses Transport Personal care	0,2 0,3 0,1 0,1 0,2 0,1	0,2 0,3 0,0 0,0 0,0 0,2 0,1
All groups	1,0	0,8

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

Indices Percentage change (2000=100) between Group/Product |Weights |------Sep 2002 Oct 2001 Oct | Sep | Oct 2001 | 2002 | 2002 | and | and | Oct 2002 CPI: All items 100.00 106,1 119,5 121,5 +1,7 +14.5 123,7 125,7 124,2 126,3 122,4 124,3 121,6 123,5 118,3 Expenditure groups - Very low 0.91 108.4 +1.6 +16,0 +1,7 +1,6 1,76 108,8 +16,1 Low Middle 6,36 108,0 +15,1 High Very high 14.57 107.5 +1.6 +14.9 76.40 105.5 +14.0 +1.7 Commodities 57.14 107,1 119,5 121,0 +1,3 +13.0 Services 42.86 104.7 119.2 121.9 +2.3 +16.4 CPI: All items, excluding housing 77,86 107,4 117,8 118,8 +0,8 +10,6 105,8 117,8 CPI: All items, excluding food 79,01 119,6 +1,5 +13,0 20,99 107,6 126,4 128,9 +2,0 +19,8 128.4 131.5 Expenditure groups - Very low 51,39 106.8 +2.4 +23.1 131,8 49,01 107,4 128,6 +2,5 +22,7 Low Middle 43,39 107,5 127,8 130,9 +2,4 +21,8 High 33.07 107.4 127.1 129.8 +2,1 +20.9 Very high 15.82 107.6 125.8 128.0 +1,7 +19.0 127,1 Processed 11,91 109,1 125,3 +1,4 +16.5 Unprocessed 9,08 106,0 127,7 131,2 +2,7 +23,8 106,2 127,7 130,1 +22,5 Grain products Meat 5,66 106,8 128,4 132,6 +3,3 +24,2 Fish and other seafood 127,0 127,8 0.69 114.2 +0,6 +11.9 Milk, cheese and eggs 1,96 115,4 134,0 134,8 +0,6 +16,8 Fats and oils 0,76 111,8 129,7 128,7 -0,8 +15,1 Fruit and nuts 1,09 100,2 112,0 115,4 +3,0 +15,2 126,0 123,1 +3,8 -1,9 Vegetables 2.00 105.8 130.8 +23.6 0,50 106,7 120,8 +13,2 Sugar Coffee, tea and cocoa 1,07 107,1 117,9 119,8 +1,6 +11,9 Other 3,45 107.7 122.7 124.2 +1,2 +15.3 121,9 118,3 110,7 +10,1 Non-alcoholic beverages 1,10 119,0 119,u 118,3 Alcoholic beverages 1,40 108,7 0,0 +8,8 127,1 127,4 Cigarettes, cigars and tobacco 1.14 114,2 +0,2 +11,6 97.8 100,5 100.9 Clothing and footwear 3.25 +0,4 +3.2 Clothing 2,04 98,0 100,1 100.8 +0,7 +2.9 100.1 -0,2 Footwear 1.21 96.9 +3,3 +3,9 Housing 22,14 102.0 124.0 128.8 +26.3 Fuel and power 3.49 111.3 116,0 116,2 +0,2 +4,4 Furniture and equipment 2,53 104,7 115,4 115,5 +0,1 +10,3 Furniture 107,0 104,5 116,7 120,7 116,7 120,7 0.95 0,0 +9.1 0,0 +15,5 Appliances 0.80 Other household equipment and textiles 0.78 102,0 108,5 108,5 0,0 +6,4 108,9 112,9 +0,2 +3,9 Household operation 4.82 113.1 Household consumables 1,25 110,4 121,5 121,9 +0,3 +10,4 Domestic workers 3,48 108,5 109,8 110,0 +0,2 +1,4 Other household services +0,5 0,09 104,7 107,4 107,9 +3,1 Medical care and health expenses 7,15 112,7 127,9 127,9 0,0 +13,5 107,4 116,6 118,2 14.84 +1.4 +10.1 Transport Vehicles 5,95 106,0 117,3 118,4 +0,9 +11,7 Running cost 7,05 110,7 119,8 122,2 +2,0 +10,4 Petrol 111.3 121,4 124,9 +2,9 +12,2 128.2 130.2 +1.6 Diesel 110.9 +17.4 106,3 Public and hired transport 1,84 0,0 +2,4 103,8 106,3 Communication 2.98 105.8 111.0 111.0 0.0 +4.9 Recreation and entertainment 102.9 3.31 107.2 107.2 0.0 +4.2 Reading matter 0,39 109,3 117,4 117,7 +0,3 +7,7 Education 3,48 112,7 121,2 121,2 0,0 +7.5

3.67

109.5

120.8

121.0

+0.2

+10.5

Personal care

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

Group/Product	      Weighte	Indices (2000=100)			Percentage change between	
<u>-</u>	Heights	Oct 2001	     Sep   2002	   Oct   2002	Sep 2002   and   Oct 2002	   Oct 2001   and   Oct 2002
CPI: All items	100,00	106,1	119,2	121,1	+1,6	+14,1
Expenditure groups - Very low	1,39	108,3	124,6	126,5	+1,5	+16,8
Low	2,26	108,3 108,1 107,6 107,3	123,5	125,4	+1,5	+16,0
Middle High	8,11     16,96	107,6	122,0 120,7	123,8 122,4	+1,5 +1,4	+15,1 +14,1
Very high	71,28	107,3	118,2	120,1	+1,6	+13,8
Commodities	59,42	107,1	120,1	121,6	+1,2	+13,5
Services	40,58	107,1 105,1	118,5	121,0	+1,2	+15,1
PI: All items, excluding housing	79,30	107,1	118,2	119,2	+0,8	+11,3
CPI: All items, excluding food	76,98	105,8	117,2	118,9	+1,5	+12,4
'ood	23,02	107,7	127,6	130,1	+2,0	+20,8
Expenditure groups - Very low	51,24	106.7	129,2	132,3	+2,4	+24.0
Low		107,2		131,8	+2,2	+22,9
Middle	43,93	107,4	128,8	131,8	+2,3	+22,7
High Very high	33,68     16,69	107,7 107,9	128,2 127,0	130,9 129,2	+2,1 +1,7	+21,5 +19,7
Processed	į į				İ	+16,9
Unprocessed	10,21	109,1 106,5	129,7	133,3	+1,2	+25,2
Grain products	4,34	105,7	129,3	131,3	+1,5	+24,2
Meat	6,23	108,0	129,9 132,2	134,2	+3,3	+24,3
Fish and other seafood Milk, cheese and eggs	0,70	115,7	132,2	133,0 134,1	+0,6	+15,0 +16,7
Fats and oils	0,84	111,3	129,6	128,4	-0,9	+15,4
Fruit and nuts	1,13	100,7	114,6	117,9	+2,9	+17,1
Vegetables Sugar	2,18   0,62	104,7	125,9 123,5	131,5 121,7		+25,6 +13,0
Coffee, tea and cocoa	1,14	106,8	118,7	120.2	+1,3	+12,5
Other	3,74	105,7 108,0 115,7 114,9 111,3 100,7 104,7 107,7 106,8 108,6	125,3	126,6	+1,0	+16,6
Non-alcoholic beverages Alcoholic beverages	1,13 1,52	110,5 108,4	118,3 117,6	120,7 117,5	+2,0 -0,1	+9,2 +8,4
igarettes, cigars and tobacco	1,21	115,4	129,3	129,6	+0,2	+12,3
lothing and footwear		96,7	99,2	99,7	+0,5	+3,1
Clothing Footwear	2,27   1,37	97,4 95,2	99,1 99,0	99,9 99,0	+0,8	+2,6 +4,0
Jousing	20,70	103,0	123,3	127,9	+3,7	+24,2
uel and power	3,84	110,2	115,9	116,0	+0,1	+5,3
urniture and equipment	2,82	104,2	114,6	114,7	+0,1	+10,1
Furniture Appliances	1,08	105,9 104,9	115,7 119,4	115,8 119,4	+0,1	+9,3 +13,8
Other household equipment and	į į				j	
textiles	0,90	101,0	108,3	108,3	0,0	+7,2
Mousehold operation Household consumables	4,68     1,34	109,6 111,1	114,6 124,1	114,8 124,4	+0,2	+4,7 +12,0
Domestic workers	3,22	109,0	110,8	111,0	+0,2	+1,8
Other household services	0,12	105,2	107,7	108,0	+0,3	+2,7
Medical care and health expenses	6,90	112,7	127,5	127,5	0,0	+13,1
ransport	13,72	106,9	115,3	116,9	+1,4	+9,4
Vehicles	5,11	105,1	115,2	116,5	+1,1	+10,8
Running cost Petrol	6,56	110,2 109,3	119,0 118,8	121,2 121,9	+1,8	+10,0 +11,5
Diesel		113,0	153,8	160,8	+4,6	+42,3
Public and hired transport	2,05	103,3	105,2	105,2	0,0	+1,8
	1 1	105,9	111,2		1	+5,0

		19			P0141.1	
Reading matter	0,36   10	9,1 116,8	117,1	+0,3	+7,3	
Education	3,38   11	12,6 121,8	121,8	0,0	+8,2	
Personal care	3,92   10	9,6 121,3	121,5	+0,2	+10,9	
Other	3,26   10	00,5 106,6	108,0	+1,3	+7,5	

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

Group/Product	      Weights	Indices (2000=100)			Percentage change between		
Gloup/Floudet		Oct 2001	     Sep   2002	     Oct   2002	Sep 2002 and Oct 2002	   Oct 2001   and   Oct 2002	
PI: All items	100,00	108,3	120,8	122,1	+1,1	+12,7	
Expenditure groups - Very low Low Middle High Very high	0,91     1,76     6,36     14,57     76,40	108,8 109,1 109,1 109,1 108,3	124,0 124,5 123,6 123,1 120,0	126,0 126,5 125,5 124,7 121,2	+1,6 +1,6 +1,5 +1,3 +1,0	+15,8 +15,9 +15,0 +14,3 +11,9	
Commodities Services	64,50	107,1	119,6	121,0	+1,2	+13,0	
	35,50	110,3	122,7	123,8	+0,9	+12,2	
PI: All items, excluding housing	87,90   	107,6	118,2	119,4	+1,0	+11,0	
PI: All items, excluding food	76,29   	108,6	119,3	120,4	+0,9	+10,9	
ood	23,71	107,6	126,5	129,0	+2,0	+19,9	
Expenditure groups - Very low Low Middle High Very high	51,39 49,01 43,39 33,07 15,82	106,8 107,4 107,5 107,3 107,7	128,4 128,6 127,9 126,9 125,8	131,5 131,7 131,0 129,6 128,1	+2,4 +2,4 +2,4 +2,1 +1,8	+23,1 +22,6 +21,9 +20,8 +18,9	
Processed Unprocessed	13,45 10,26	109,1 106,0	125,3 127,7	127,1 131,2	+1,4+2,7	+16,5 +23,8	
Grain products Meat Fish and other seafood Milk, cheese and eggs Fats and oils Fruit and nuts Vegetables Sugar Coffee, tea and cocoa Other	4,31 6,40 0,76 2,21 0,86 1,23 2,26 0,57 1,21 3,90	111,8 100,2 105,8	127,7 128,5 127,1 134,1 129,7 112,0 125,9 123,1 117,9 122,7	130,1 132,6 127,9 134,9 128,8 115,4 130,8 120,8 119,8 124,2	+1,9 +3,2 +0,6 +0,6 -0,7 +3,0 +3,9 -1,9 +1,6 +1,2	+22,5 +24,2 +12,0 +16,8 +15,2 +15,2 +23,6 +13,2 +11,9 +15,3	
on-alcoholic beverages lcoholic beverages	   1,24     1,58	110,7 108,7	119,0 118,3	121,9 118,3	+2,4	+10,1 +8,8	
igarettes, cigars and tobacco	1,29	114,2	127,1	127,4	+0,2	+11,6	
lothing and footwear Clothing Footwear	3,67   2,31   1,36	97,7 98,1 96,9	100,3 100,2 100,3	100,8 100,9 100,1	+0,5 +0,7 -0,2	+3,2 +2,9 +3,3	
ousing uel and power	12,10	114,5 111,3	137,9 116,0	140,7 116,2	+2,0+0,2	+22,9 +4,4	
urniture and equipment Furniture Appliances Other household equipment and textiles	2,86   1,08   0,90	104,7 107,0 104,5	115,5 116,7 120,7	115,5 116,7 120,7	0,0 0,0 0,0	+10,3 +9,1 +15,5 +6,4	
ousehold operation Household consumables Domestic workers Other household services	5,45   1,42   3,93   0,10	109,0 110,2 108,5 104,6	113,0 121,4 109,8 107,3	113,2 121,8 110,0 107,8	+0,2 +0,3 +0,2 +0,5	+3,9 +10,5 +1,4 +3,1	
edical care and health expenses	8,07	114,0	129,2	129,2	0,0	+13,3	
ransport Vehicles Running cost Public and hired transport	16,75     6,72     7,96     2,07	107,5 106,1 110,7 103,8	116,6 117,4 119,8 106,3	118,2 118,6 122,3 106,3	+1,4 +1,0 +2,1 0,0	+10,0 +11,8 +10,5 +2,4	

	20			P0141.1
Communication	3,36   105,8	111,0 111,0	0,0	+4,9
Recreation and entertainment	3,73   102,9	107,2 107,2	0,0	+4,2
Reading matter	0,43   109,3	117,4 117,8	+0,3	+7,8
Education	3,93   112,7	121,3 121,3	0,0	+7,6
Personal care	4,14   109,5	120,8 121,0	+0,2	+10,5
Other	3,75   100,9	106,9 108,3	+1,3	+7,3

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

			Indices (2000=100)	   Percentage change   between		
Group/Product	  Weights  		 	 	  -	   Oct 2001
		Oct 2001	Sep   2002	Oct 2002	and   Oct 2002	and Oct 2002
CPI: All items	100,00	108,1	120,3	121,6	+1,1	+12,5
Expenditure groups - Very low	1,39	108,7	125,1	127,0	+1,5	+16,8
Low	2,26		124,1	125,9	+1,5	+16,0
Middle	8,11	108,3	122,7	124,4	+1,4	+14,9
High Very high	16,96     71,28	108,4 108,0	122,0 119,3	123,4 120,5	+1,1	+13,8 +11,6
Commodities	66,24	107,1	120,0	121,5	+1,3	+13,4
Services	33,76	109,9	120,0	121,9	+0,8	+10,9
CPI: All items, excluding housing	88,43	107,1	118,2	119,4	+1,0	+11,5
CPI: All items, excluding food	74,34	108,3	118,4	119,3	+0,8	+10,2
Food	25,66	107,7	127,7	130,2	+2,0	+20,9
Expenditure groups - Very low	51,24	106,7	129,2	132,3	+2,4	+24,0
Low	49,72	107,2	128,9	131,9	+2,3	+23,0
Middle	43,93	107,4	128,8	131,7	+2,3	+22,6
High	33,68	107,7	128,3	131,0	+2,1	+21,6
Very high	16,69	107,9	126,9	129,1	+1,7	+19,6
Processed	14,26	109,1	126,0	127,5	+1,2	+16,9
Unprocessed	11,40	106,5	129,7	133,3	+2,8	+25,2
Grain products	4,84	105,7	129,3	131,3	+1,5	+24,2
Meat	6,95	108,0	129,9	134,3	+3,4	+24,4
Fish and other seafood	0,78		132,2	133,0	+0,6	+15,0
Milk, cheese and eggs	2,34	114,9	133,5	134,1	+0,4	+16,7
Fats and oils Fruit and nuts	0,93	111,3 100,7	129,6 114,6	128,4 117,8	-0,9 +2,8	+15,4 +17,0
Vegetables	2,43	100,7	127,1	132,7	+4,4	+17,0
Sugar	0,69	107,7	123,5	121,7	-1,5	+13,0
Coffee, tea and cocoa	1,27	106,8	118,7	120,2	+1,3	+12,5
Other	4,17	108,6	125,3	126,6	+1,0	+16,6
Non-alcoholic beverages	1,26	110,5	118,3	120,7	+2,0	+9,2
Alcoholic beverages	1,70	108,4	117,6	117,5	-0,1	+8,4
Cigarettes, cigars and tobacco	1,35	115,4	129,4	129,6	+0,2	+12,3
Clothing and footwear	4,06	96,7	99,2	99,7	+0,5	+3,1
Clothing	2,53	97,4	99,1	99,9	+0,8	+2,6
Footwear	1,53	95,2	99,0	99,0	0,0	+4,0
Housing	11,57	114,7	134,4 115,9	136,9	+1,9	+19,4
Fuel and power	4,28	110,2	115,9	116,0	+0,1	+5,3
Furniture and equipment	3,15	104,2	114,6	114,7	+0,1	+10,1
Furniture	1,21	105,9	115,7	115,8	+0,1	+9,3
Appliances Other household equipment and	0,94	104,9	119,4	119,4	0,0	+13,8
textiles	1,00	101,0	108,3	108,3	0,0	+7,2
Household operation	5,22	109,6	114,6	114,8	+0,2	+4,7
Household consumables	1,50	111,1	124,1	124,4	+0,2	+12,0
Domestic workers	3,59	109,0	110,8	111,0	+0,2	+1,8
Other household services	0,13	105,2	107,7	108,0	+0,3	+2,7
Medical care and health expenses	7,70	113,5	128,4	128,4	0,0	+13,1
Transport	15,30	106,9	115,3	116,9	+1,4	+9,4

		21				P0141.1
Vehicles	5,69	105,1	115,2	116,6	+1,2	+10,9
Running cost	7,32	110,2	119,0	121,2	+1,8	+10,0
Public and hired transport	2,29	103,3	105,2	105,2	0,0	+1,8
Communication	3,19	105,9	111,1	111,1	0,0	+4,9
Recreation and entertainment	3,39	102,6	106,6	106,6	0,0	+3,9
Reading matter	0,40	109,1	116,8	117,1	+0,3	+7,3
Education	3,77	112,6	121,8	121,8	0,0	+8,2
Personal care	4,37	109,6	121,4	121,5	+0,1	+10,9
Other	3,63	100,5	106,6	108,0	+1,3	+7,5

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

Indices Percentage change (2000=100) Group/Product | Weights | ------Sep | Oct 2002 Sep 2002 Oct 2001 Sep 2002 and Oct 2002 2001 Oct 2002 119,5 121,5 CPI: All items 100.00 106.1 +1.7 +14.5 125,7 Expenditure groups - Very low 0,91 108,4 123,7 +1,6 +16,0 +1,7 +1,6 Low 1.76 108.8 124.2 126,3 +16.1 Middle 122,4 124,3 6,36 108,0 +15,1 14,57 107,5 121,6 123,5 +14,9 High Very high 76,40 105,5 118,3 120,3 +1,7 +14,0 57,14 107,1 119,5 121,0 +1,3 +13,0 Commodities Services 42,86 104,7 119,2 121,9 +2,3 +16,4 CPI: All items, excluding housing 77.86 107.4 117.8 118.8 +0.8 +10.6 CPI: All items, excluding food 80,08 105,8 117,8 119,6 +1,5 +13,0 128,4 Food, beverages and tobacco 24.63 108.3 126.1 +1.8 +18.6 Food excluding coffee, tea and cocoa 19,92 107,6 126,6 129,1 +2,0 +20,0 106,2 127,7 +22,5 3.81 130.1 +1.9 Grain products 5,66 106,8 128,4 132,6 +3,3 +24,2 Meat Fish and other seafood 0,69 114,2 127,0 127,8 +0,6 +11.9 1.96 Milk, cheese and eggs 115.4 134,0 134.8 +0,6 +16.8 Fats and oils 0,76 129,7 128,7 -0,8 111,8 +15,1 Fruit and nuts 1,09 100,2 112,0 115,4 +3,0 +15,2 Vegetables 2,00 105,8 126,0 130,8 +3,8 +23,6 Sugar 0,50 106.7 123,1 120.8 -1,9 +13.2 Other 3,45 107,7 122,7 124,2 +1,2 +15,3 119.7 3.57 108.9 118.3 +1.2 +9.9 Beverages Coffee, tea and cocoa 1.07 107.1 117.9 119.8 +1,6 +11.9 +2,4 Non-alcoholic beverages 1,10 110,7 119,0 121,9 +10,1 Alcoholic beverages 1,40 108.7 118,3 118,3 0,0 +8,8 Tobacco 127,1 127,4 +0,2 Cigarettes, cigars and tobacco 1.14 +11,6 100,5 97.8 100.9 Clothing and footwear 3.25 +0,4 +3.2 +0.7 Clothing 2.04 98.0 100.1 100.8 +2.9 Footwear 1,21 96,9 100,3 100,1 -0,2 +3,3 25.63 103,2 123,3 127,6 +3,5 +23.6 Housing, water, electricity, gas and other fuels 128,8 Housing 102,0 124,0 +3,9 +26,3 22,14 Fuel and power 111,3 116,0 116,2 +0,2 +4,4 Furnishings, household equipment and routine maintenance of the house 7,35 107,5 114,7 +0,1 114,6 Furniture and equipment 115,4 2,53 104,7 115,5 +0,1 +10,3 Furniture 0,95 107,0 116,7 116,7 0,0 +9.1 +15.5 Appliances 0.80 104.5 120.7 120.7 0,0 Other household equipment and textiles 0.78 102.0 108,5 108.5 0.0 +6.4 Household operation 4,82 108,9 112,9 113,1 +0,2 +3,9 Household consumables 1,25 110,4 121,5 121,9 +0,3 +10,4 3,48 108,5 110,0 +0,2 Domestic workers +1,4 Other household services 0,09 104,7 107,4 107,9 +0,5 +3,1 Health (Medical care and health expenses) 7,15 112,7 127,9 127,9 0,0 +13,5

		22			P0141.1		
Transport	14,84	107,4	116,6	118,2	+1,4	+10,1	
Vehicles	5,95	106,0	117,3	118,4	+0,9	+11,7	
Running cost	7,05	110,7	119,8	122,2	+2,0	+10,4	
Petrol		111,3	121,4	124,9	+2,9	+12,2	
Diesel		110,9	128,2	130,2	+1,6	+17,4	
Public and hired transport	1,84	103,8	106,3	106,3	0,0	+2,4	
Leisure, entertainment and culture Recreation and entertainment	3,70     3,31	104,6 102,9	109,7 107,2	109,8 107,2	+0,1	+5,0 +4,2	
Reading matter	0,39	109,3	117,4	117,7	+0,3	+7,7	
Education	3,48	112,7	121,2	121,2	0,0	+7,5	
Miscellaneous goods and services	9,97	104,2	111,4	112,1	+1,2	+9,9	
Communication	2,98	105,8	111,0	111,0	0,0	+4,9	
Personal care	3,67	109,5	120,8	121,0	+0,2	+10,5	
Other	3,32	100,9	107,0	108,4	+1,3	+7,4	

<sup>1)</sup>  ${\tt COICOP}$  = Classification of individual consumption by purpose

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

	      Weights  		Indices (2000=100)	Percentage change between		
Group/Product		Oct 2001	     Sep   2002	     Oct   2002	Sep 2002   and   Oct 2002	   Oct 2001   and   Oct 2002
CPI: All items	100,00	106,1	119,2	121,1	+1,6	+14,1
Expenditure groups - Very low Low Middle High Very high	1,39 2,26 8,11 16,96 71,28	108,3 108,1 107,6 107,3 105,5	124,6 123,5 122,0 120,7 118,2	126,5 125,4 123,8 122,4 120,1	+1,5   +1,5   +1,5   +1,5   +1,4   +1,6	+16,8 +16,0 +15,1 +14,1 +13,8
Commodities	59,42	107.1	120,1	121.6	+1,2	+13.5
Services	40,58	105,1	118,5	121,0	+2,1	+15,1
CPI: All items, excluding housing	79,30	107,1	118,2	119,2	+0,8	+11,3
CPI: All items, excluding food	78,12	105,8	117,2	118,9	+1,5	+12,4
Food, beverages and tobacco	   26,88	108,3	127,0	129,3	+1,8	+19,4
Food excluding coffee, tea and cocoa	   21,88	107,7	127,8	130,3	+2,0	+21,0
Grain products Meat Fish and other seafood Milk, cheese and eggs Fats and oils Fruit and nuts Vegetables Sugar Other  Beverages Coffee, tea and cocoa	4,34 6,23 0,70 2,10 0,84 1,13 2,18 0,62 3,74	108,0 115,7 114,9 111,3 100,7 104,7 107,7 108,6	129,3 129,9 132,2 133,5 129,6 114,6 125,9 123,5 125,3		+3,3 +0,6 +0,4 -0,9 +2,9 +4,4 -1,5 +1,0	+24,2 +24,3 +15,0 +16,7 +15,4 +17,1 +25,6 +13,0 +16,6 +9,7 +12,5
Non-alcoholic beverages Alcoholic beverages	1,13	110,5 108,4	118,3	120,7 117,5	+2,0	+9,2
Tobacco	j j J j		129,3		+0,2	.,
Clothing and footwear Clothing Footwear	3,64   2,27   1,37	97,4	99,2 99,1 99,0	99,7 99,9 99,0	+0,5 +0,8 0,0	+3,1 +2,6 +4,0
Housing, water,electricity, gas and other fuels Housing Fuel and power	24,54   20,70   3,84	103,0	122,2 123,3 115,9	126,2 127,9 116,0	+3,3 +3,7 +0,1	+21,5 +24,2 +5,3
Furnishings, household equipment and routine maintenance of the house Furniture and equipment Furniture Appliances Other household equipment and textiles	7,50 2,82 1,08 0,84	104,9	119,4	115,4 114,7 115,8 119,4	0,0	+7,2 +10,1 +9,3 +13,8
Household operation Household consumables Domestic workers	4,68   1,34   3,22	109,6 111,1 109,0	108,3 114,6 124,1 110,8	108,3 114,8 124,4 111,0	+0,2+0,2+0,2	+7,2 +4,7 +12,0 +1,8

		P0141.1				
Other household services	0,12	105,2	107,7	108,0	+0,3	+2,7
Health (Medical care and health expenses)	6,90	112,7	127,5	127,5	0,0	+13,1
Transport	13,72	106,9	115,3	116,9	+1,4	+9,4
Vehicles	5,11	105,1	115,2	116,5	+1,1	+10,8
Running cost	6,56	110,2	119,0	121,2	+1,8	+10,0
Petrol	į į	109,3	118,8	121,9	+2,6	+11,5
Diesel		113,0	153,8	160,8	+4,6	+42,3
Public and hired transport	2,05	103,3	105,2	105,2	0,0	+1,8
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Leisure, entertainment and culture	3,40	104,4	109,2	109,3	+0,1	+4,7
Recreation and entertainment	3,04	102,6	106,6	106,6	0,0	+3,9
Reading matter	0,36	109,1	116,8	117,1	+0,3	+7,3
						İ
Education	3,38	112,6	121,8	121,8	0,0	+8,2
Miscellaneous goods and services	10,04	104,3	111,5	112,2	+0,8	+9,7
Communication	2,86	105,9	111,2	111,2	0,0	+5,0
Personal care	3,92	109,6	121,3	121,5	+0,2	+10,9
Other	3,26	100,5	106,6	108,0	+1,3	+7,5

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

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

			Indices (2000=100)	Percentage change between		
Urban area	Weights    	Oct 2001	   Sep     2002	Oct 2002	Sep 2002 and Oct 2002	Oct 2001   and   Oct 2002
Western Cape	   17,62	107.2	120.7	122.6	+1,6	+14.4
Cape Peninsula	11,88		120,2	122,2	+1,7	+14,4
Other urban areas	5,74	107,3	121,0	122,6	+1,3	+14,3
T		106.2	101.0	100.6	.1.2	.15.0
Eastern Cape	5,40		121,0	122,6	+1,3	+15,3
Port Elizabeth/Uitenhage	2,28		120,9	122,9	+1,7	+15,7
East London	1,10	106,4	119,3	121,4	+1,8	+14,1
Other urban areas	2,02	106,4	122,1	122,9	+0,7	+15,5
Northern Cape	1.01	107.6	121.1	123.0	+1.6	+14.3
Kimberlev	0.41	108.0	121.7	123.9	+1.8	+14.7
Other urban areas	0,60	107,6	121,5	123,2	+1,4	+14,5
Free State	4,79	105,5	114,8	116,2	+1,2	+10,1
Bloemfontein	1,59	104,6	115,8	117,3	+1,3	+12,1
Free State Goldfields	1,22	106,3	116,0	117,3	+1,1	+10,3
Other urban areas	1,98	105,3	113,3	114,8	+1,3	+9,0
KwaZulu-Natal	   20,47	106.4	119.5	121.1	+1.3	+13.8
Durban/Pinetown	7,19	106,8	118.9	120.4	+1,3	+12.7
Pietermaritzburg	1,34	107.3	121.0	122.9	+1,6	+14.5
Other urban areas	11,94	106,1	119,5	121,1	+1,3	+14,1
North West	2,61	106,5	117,6	119,4	+1,5	+12,1
Gauteng	   42,98	105,6	119,1	121,2	+1,8	+14,8
Pretoria/Centurion/Akasia	11,13	106,6	118,4	120,3	+1,6	+12.9
Witwatersrand	24,53	105,6	110,4	120,3	+1,8	+12,9
Other urban areas	7,32	105,7	117,9	120,3	+1,0	+15,5
Other urban areas	1,32	105,3	117,9	120,3	+2,0	+14,2
Mpumalanga	3,63	106,3	119,5	121,0	+1,3	+13,8
Nelspruit/Witbank	1,12	107,7	121,3	123,4	+1,7	+14,6
Other urban areas	2,51	106,1	118,8	120,1	+1,1	+13,2
Limpopo Province	   1,49	106.0	117.9	119.9	+1.7	+13.1
Polokwane (Pietersburg)	0,21	103,1	114,5	116,8	+2,0	+13,1
Other urban areas	1,28	106,3	114,5	119,8	+1,4	+12,7
CPI for the metropolitan and other urban areas	  100,00	106,1	119,2	121,1	+1,6	+14,1
CPI for the metropolitan areas	64,02	106,1	119,5	121,5	+1,7	+14,5

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

Urban area	          Weights		Indices (2000=100)	   Percentage change   between		
orban area	Weights      	Oct 2001	   Sep   2002	Oct 2002	Sep 2002   and   Oct 2002	Oct 2001   and   Oct 2002
Western Cape	17,88	107,7	125,9	127,8	+1,5	+18,7
Cape Peninsula	10,85	109,2	126,3	128,2	+1,5	+17,4
Other urban areas	7,03	107,0	127,2	129,0	+1,4	+20,6
Eastern Cape	5,56	106,9	134,4	135,5	+0,8	+26,8
Port Elizabeth/Uitenhage	2,28	109,0	133,9	136,2	+1,7	+25,0
East London	0,76	106,7	129,5	132,8	+2,5	+24,5
Other urban areas	2,52	106,2	137,5	136,8	-0,5	+28,8
Northern Cape	   1,21	106.4	125.6	128.5	+2,3	+20.8
Kimberley	0,43	108,0	126,8	130,5	+2,9	+20,8
Other urban areas	0,78	106,0	126,7	129,2	+2,0	+21,9
Free State	   4,92	108.0	125.5	128.4	+2,3	+18.9
Bloemfontein	1,51	109,2	133,9	135,8	+1,4	+24,4
Free State Goldfields	1,05	107,1	124,5	128,0	+2,8	+19,5
Other urban areas	2,36	108,1	122,9	126,3	+2,8	+16,8
KwaZulu-Natal	   21.35	110.7	135.7	137.4	+1,3	+24.1
Durban/Pinetown	6,78	110,9	134,5	136,1	+1,2	+22,7
Pietermaritzburg	1,68	110,9	133,6	135,9	+1,7	+22,5
Other urban areas	12,89	110,5	136,4	138,1	+1,2	+25,0
North West	2,72	109,1	128,2	132,0	+3,0	+21,0
Gauteng	   41,19	106,2	124,1	127,5	+2.7	+20,1
Pretoria/Centurion/Akasia	8,22	107,3	124,7	127,6	+2,3	+18,9
Witwatersrand	23,82	106,1	123,5	126,5	+2,4	+19,2
Other urban areas	9,15	106,2	125,5	130,3	+3,8	+22,7
Mpumalanga	   3,65	108,2	131,0	132,4	+1,1	+22,4
Nelspruit/Witbank	0,90	110,6	132,3	133,7	+1,1	+20,9
Other urban areas	2,75	107,8	130,8	132,1	+1,0	+22,5
Limpopo Province	   1,52	109,2	130,4	133,3	+2,2	+22,1
Polokwane (Pietersburg)	0,13	108,3	132,7	135,6	+2,2	+25,2
Other urban areas	1,39	109,3	129,8	132,7	+2,2	+21,4
CPI for the metropolitan and other urban areas	100,00	107,7	127,6	130,1	+2,0	+20,8
CPI for the metropolitan areas	     58,44	107,6	126,4	128,9	+2,0	+19,8

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

	     		Indices (2000=100)	   Percentage change   between		
Urban area	Weights     	Oct 2001	   Sep   2002	   Oct   2002	Sep 2002   and   Oct 2002	Oct 2001   and   Oct 2002
	17,28 11,27 6,01	107,3 107,8 107,0	117,8 117,8 117,9	118,7 118,7 118,6	+0,8 +0,8 +0,6	+10,6 +10,1 +10,8
Eastern Cape Port Elizabeth/Uitenhage East London Other urban areas	5,90 2,22 1,60 2,08	108,0	120,4 121,0 117,6 122,0	121,2 122,1 118,8 121,9	+0,7 +0,9 +1,0 -0,1	+13,4 +13,1 +10,6 +14,1
Northern Cape Kimberley Other urban areas	0,73 0,11 0,62		118,5 118,9 119,1	119,9 120,3 120,3	+1,2 +1,2 +1,0	+12,1 +11,5 +12,4
   Free State   Bloemfontein   Free State Goldfields   Other urban areas	4,87   1,46   1,26   2,15		113,5 115,5 115,2 111,9	114,6 116,2 116,2 113,0	+1,0 +0,6 +0,9 +1,0	+8,6 +9,7 +8,9 +7,3
KwaZulu-Natal Durban/Pinetown Pietermaritzburg Other urban areas	20,43 7,09 1,36	107,9	120,7 119,4 120,9 121,3	121,4 120,1 122,1 122,1	+0,6 +0,6 +1,0 +0,7	+12,6 +11,3 +13,3 +13,4
North West	2,59	108,0	119,6	121,1	+1,3	+12,1
Gauteng Pretoria/Centurion/Akasia Witwatersrand Other urban areas	42,97   11,28   24,08   7,61	107,0 107,3 107,0 106,3	117,1 116,7 117,3 117,0	118,3 117,9 118,4 118,9	+1,0 +1,0 +0,9 +1,6	+10,6 +9,9 +10,7 +11,9
Mpumalanga Nelspruit/Witbank Other urban areas	3,69 1,04 2,65	109,3	120,1 120,5 120,0	120,9 121,3 120,8	+0,7 +0,7 +0,7	+12,3 +11,0 +12,5
Limpopo Province Polokwane (Pietersburg) Other urban areas	1,54   0,17   1,37		115,4 114,2 115,4	116,7 115,3 116,5	+1,1   +1,0   +1,0	+10,5 +9,5 +10,3
CPI for the metropolitan and other urban areas	100,00	107,1	118,2	119,2	+0,8	+11,3
CPI for the metropolitan areas	62,96	107,4	117,8	118,8	+0,8	+10,6

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

			Indices (2000=100)	   Percentage change   between		
Urban area	Weights      	Oct 2001	   Sep   2002	   Oct   2002	Sep 2002   and   Oct 2002	Oct 2001 and Oct 2002
Western Cape	17,46	107,0	119,5	121,4	+1,6	+13,5
Cape Peninsula	12,13	106,3	119,0	121,0	+1,7	+13,8
Other urban areas	5,33	107,5	119,3	120,8	+1,3	+12,4
Eastern Cape	5,31	106,3	117,3	119,0	+1,4	+11,9
Port Elizabeth/Uitenhage	2,26	105,7	117,7	119,6	+1,6	+13,2
East London	1,19	107,5	117,9	119,7	+1,5	+11,3
Other urban areas	1,86	106,4	117,5	118,8	+1,1	+11,7
Northern Cape	1,48	108,1	119,7	121,2	+1,3	+12,1
Kimberley	0,94	108,0	119,5	121,1	+1,3	+12,1
Other urban areas	0,54	108,1	119,7	121,2	+1,3	+12,1
Free State	4,72	104,5	111,4	112,4	+0,9	+7,6
Bloemfontein	1,60	103,5	111,6	113,1	+1,3	+9,3
Free State Goldfields	1,26	106,2	113,7	114,4	+0,6	+7,7
Other urban areas	1,86	104,5	110,2	111,1	+0,8	+6,3
KwaZulu-Natal	20,10	105,3	115,5	117,1	+1,4	+11,2
Durban/Pinetown	7,27	105,9	115,6	117,0	+1,2	+10,5
Pietermaritzburg	1,23	106,1	117,2	119,0	+1,5	+12,2
Other urban areas	11,60	104,8	115,1	116,8	+1,5	+11,5
North West	2,56	105,7	114,9	116,2	+1,1	+9,9
Gauteng	43,29	105,4	117,8	119,6	+1,5	+13,5
Pretoria/Centurion/Akasia	11,93	106,4	117,2	118,9	+1,5	+11,7
Witwatersrand	24,62	105,5	119,1	121,1	+1,7	+14,8
Other urban areas	6,74	105,4	116,6	118,4	+1,5	+12,3
Mpumalanga	3,61	105,8	116,3	117,9	+1,4	+11,4
Nelspruit/Witbank	1,18	106,9	119,0	121,2	+1,8	+13,4
Other urban areas	2,43	105,6	115,5	116,9	+1,2	+10,7
Limpopo Province	1,47	105,3	114,8	116,6	+1,6	+10,7
Polokwane (Pietersburg)	0,23	102,2	111,1	113,2	+1,9	+10,8
Other urban areas	1,24	105,6	115,3	116,8	+1,3	+10,6
PI for the						
etropolitan and other urban are	as 100,00	105,8	117,2	118,9	+1,5	+12,4

							-
CPI for the	<b>j</b>			į			İ
metropolitan areas	65,85	105,8	117,8	119,6	+1,5	+13,0	

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

Base : CPI 2000 = 100												
Group/Product	      Weights	May   2002	Jun 2002	     Jul   2002	       Aug   2002	     Sep   2002	       Oct   2002					
CPI: All items	100,00	113,1	114,2	115,7	117,1	118,4	120,6					
Expenditure groups - Very low Low Middle High Very high	0,91   1,76   6,36   14,57   76,40		118,4 118,5 116,8 115,9 113,3	118,9 119,4 117,9 117,3 114,8		123,1 123,5 121,8 120,9 117,4	125,1 125,6 123,7 122,8 119,6					
CPI: All items excluding food	79,01	104,1	105,1	106,2			110,5					
Commodities	57,14	114,5	115,7	116,1	117,4	119,2	120,8					
Food	20,99	118,6	120,8	122,9	125,1	127,5	129,7					
Food and non-alcoholic beverages Alcoholic beverages, cigarettes, cigars and tobacco	22,09	118,5 117,3	120,6 118,0	122,6 118,8	124,9 120,5	127,1 121,9	129,4 122,7					
Clothing and footwear Furniture and equipment	3,25	109,1	111,2	111,4			100,7 114,7					
Vehicles Other transport commodities Other commodities	5,95   3,51   17,27		113,6 119,9 119,7	115,7 116,8 118,1	- , -	117,2 119,8 120,3	118,2 122,3 121,6					
Services	42,86	111,4	112,2	115,2		117,5	120,8					
Housing and domestic workers Transport Other services	25,62 3,38 13,86		113,3 106,9 112,0	117,8 107,1 113,7	107,4		126,6 107,6 116,5					
CPI: All items excluding VAT	100,00	113,1	114,2	115,7	117,1	118,4	120,7					
CPIX	100,00	114,8	116,0	116,8	118,3	119,8	121,5					

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

Base : CPI 2000 = 100

		P0141.1					
Group/Product	Weights	May   2002	Jun 2002	Jul   2002	Aug   2002	Sep     2002	Oct 2002
CPI: All items	100,00	113,2	114,2	115,7	117,2	118,6	120,4
Expenditure groups - Very low Low Middle High Very high	1,39 2,26 8,11 16,96 71,28	117,3 116,1 114,9 113,9 112,4	119,2 118,2 116,7 115,4 113,3	120,1 119,0 117,7 116,5 115,0	122,0 121,0 119,6 118,3 116,2		126,2 125,0 123,3 121,8 119,3
	76,98	111,7	112,6	113,7	114,9	, -	118,1
Commodities	59,42	114,4	115,7	116,6	117,9	119,6	121,0
Food	23,02	119,3	121,7	123,8	126,2	128,7	131,1
Food and non-alcoholic beverages   Alcoholic beverages, cigarettes, cigars and   tobacco	24,15	119,1 117,9	121,4 118,6	123,4 119,6	125,9 121,2	128,3 122,8	130,6 123,6
Clothing and footwear   Furniture and equipment   Vehicles	3,64 2,82 5,11	94,5 108,7 111,4	95,2 110,6 111,7	95,7 110,8 113,4	97,6 111,4 113,6	115,0	99,4 114,1 116,0
Other transport commodities Other commodities	5,14   15,83	123,9 113,7	118,9 116,3	115,4 117,2	117,5 117,0		120,9 118,7
Services	40,58	111,5	112,3	115,1	116,4	116,9	120,0
Housing and domestic workers   Transport   Other services	23,92 3,47 13,19	111,8 106,6 112,1			118,5 106,4 114,8	106,4	123,8 106,5 116,0
CPI: All items excluding VAT	100,00	113,2	114,2	115,7	117,2	118,6	120,4
  CPIX		114,5	115,6	116,5	117,9	119,5	121,0

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

			Indices (2000=100)		Percentage change between		
Urban area	Weights -     	Oct 2001		Oct 2002	Sep 2002   and   Oct 2002	Oct 2001 and Oct 2002	
Western Cape	20,00	108,7	121,0	122,3	+1,1	+12,5	
Cape Peninsula	12,55	108.6	120.8	122.1	+1.1	+12.4	
Other urban areas	7,45	108,6	121,3	122,4	+0,9	+12,7	
Castern Cape	6,08	106,9	123,2	124,3	+0,9	+16,3	
Port Elizabeth/Uitenhage	3,06	108,1	123,9	125,9	+1,6	+16,5	
East London	0,62	107,7	121,4	122,8	+1,2	+14,0	
Other urban areas	2,40	106,6	123,7	123,6	-0,1	+15,9	
forthern Cape	1,57	109,1	122,4	123,8	+1,1	+13,5	
Kimberley	0,69	108,5	120,2	121,8	+1,3	+12,3	
Other urban areas	0,88	109,2	123,8	125,1	+1,1	+14,6	
ree State	5,49	106,3	115,7	117,0	+1,1	+10,1	
Bloemfontein	1,83	103,5	113,3	114,2	+0,8	+10,3	
Free State Goldfields	0,86	107,0	117,4	118,9	+1,3	+11,1	
Other urban areas	2,80	106,5	114,9	116,4	+1,3	+9,3	
waZulu-Natal	22,75	107,5	120,8	121,9	+0,9	+13,4	
Durban/Pinetown	7,03	107,8	119,8	120,7	+0,8	+12,0	
Pietermaritzburg	1,40	108,1	120,0	121,2	+1,0	+12,1	
Other urban areas	14,32	107,2	121,3	122,6	+1,1	+14,4	
Worth West	2,40	107,9	119,0	120,6	+1,3	+11,8	
Jauteng	37,69	107,3	119,1	120,7	+1,3	+12,5	
Pretoria/Centurion/Akasia	11,35	107,5	118,9	120,3	+1,2	+11,9	
Witwatersrand	16,11	107,6	119,2	120,8	+1,3	+12,3	
Other urban areas	10,23	106,7	118,5	120,7	+1,9	+13,1	
ipumalanga	2,41	107.9	121.6	122,7	+0.9	+13.7	

		<u> </u>	29	P0141.1			
Nelspruit/Witbank	0,26	110,0	125,1	126,2	+0,9	+14,7	
Other urban areas	2,15	107,5	121,2	122,3	+0,9	+13,8	
Limpopo Province	1,61	106,9	118,6	120,1	+1,3	+12,3	İ
Polokwane (Pietersburg)	0,26	106,4	121,6	123,4	+1,5	+16,0	
Other urban areas	1,35   	107,0	118,5	119,9	+1,2	+12,1	-
CPI for the metropolitan and other urban areas	100,00	107,6	120,0	121,4	+1,2	+12,8	_
CPI for the  metropolitan areas	56,03	107,7	119,8	121,2	+1,2	+12,5	

#### **EXPLANATORY NOTES**

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#### Introduction

- This publication contains results of the monthly Survey of Consumer (Retail) Prices. The purpose of the survey is to collect and provide information regarding changes in the overall level of prices of all goods and services bought by the average household
- The indices are classified according to the International Trade Classification (as indicated in tables 1, 3 to 18, 25 and 26) and geographical areas (as indicated in tables 21 to 24 and 27). Due to a new international classification system, prescribed by the 1993 System of National Accounts (SNA revision IV, 1993), compiled by the United Nations, the International Monetary Fund, the World Bank, the Organisation for Economic Corporation and Development and the Commission of European Communities, the Classification of Individual Consumption by Purpose (COICOP), Stats SA decided to classify the price information collected according to this new classification system, alongside the existing classification system. The information contained in tables 19 and 20 is classified according to COICOP. The indices are calculated on the base 2000=100.
- 3 The Consumer Price Index (CPI) is a series of figures (numbers) showing how the average price level of all those goods and services (basket of goods and services) bought by a typical consumer or household changes over time. The inflation rate is the annual percentage change in the CPI.

#### Survey of Income and Expenditure of Households (IES)

- Stats SA conducts a Survey of Income and Expenditure of Households every five years. This survey is conducted by enumerators visiting a number of households throughout South Africa to obtain details on income and expenditure of households. The information obtained through this survey is weighted according to the Population Census figures in order to represent all households in South Africa.
- 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 (cf. paragraphs 7 and 8), the new weight for a specific product/group was calculated by dividing total expenditure by all households in South Africa on the specific product/group by total expenditure on all goods and services by all households .in South Africa. Stats SA implemented the new weights, i.e. the 2000 weights based on the 2000 Survey of Income and Expenditure of Households, as from the January 2002 CPI publication.

#### Basket of goods and services

- The current CPI basket covers approximately 1 500 goods and services.
- 11 These goods and services are grouped according to the International Trade Classification into 17 main groups -
  - Food;

- Non-alcoholic beverages;
- Alcoholic beverages;
- Cigarettes, cigars and tobacco;
- Clothing and Footwear;
- Housing;
- Fuel and power;
- Furniture and equipment;
- Household operation;
- Medical care and health expenses;
- Transport;
- Communication;
- Recreation and entertainment;
- Reading matter;
- Education:
- Personal care; and
- Other.
- 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 14 metropolitan and 39 other urban areas in the nine provinces. The results of the survey are used to compile the Consumer Price Index, an economic indicator.

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

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

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

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

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

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

Items/products	Month of survey
Doctor's and dentist's fees.	January
<ul> <li>Motor vehicle licence and registration fees.</li> </ul>	
<ul> <li>Toll-fees at toll-gates.</li> </ul>	March
School funds.	
<ul> <li>University boarding and class fees.</li> </ul>	
Parking fees.	April
<ul> <li>Telephone and postal tariffs.</li> </ul>	
• Public transport tariffs.	• June
Property taxes.	• July
Refuse removal.	
Sanitary fees.	
<ul> <li>Newspapers and magazines.</li> </ul>	
• Entrance fees – drive-inns and bioscopes.	August
Television licences;	October
Maintenance of graves; and	
Rent of dwellings.	

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

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

#### Classification

- 21 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 23

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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 13 major metropolitan areas, covering all nine provinces, are included in the geographical sample for price collection. The "other urban areas" are covered by nine provincial samples of four to five urban areas each, depending on the population size of the area. Therefore, a total of 39 "other urban areas" is sampled.
- Thirdly, for each of the 53 sample areas, a retail trade and service outlet sampling frame is constructed, based on available data sources, mainly the business register of Stats SA, telephone directories and lists obtained from the head offices of chain stores. The sample is purposively distributed geographically within areas. Specific retail trade and service outlets are selected randomly within each area. Prices are collected from department stores, as well as specialist shops. The sample of outlets is revised every five years when the weights are revised.
- 27 Currently, an average of 110 000 price quotations are collected each month from approximately 2 200 outlets by means of 6 700 questionnaires. The indices are based on retail trade and service prices.

#### **Pricing basis**

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

# Processing of price information

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

# Calculating product price indices

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.

- 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 (cf. table 1 on page 13).

### Seasonal adjustment

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

### Reliability of estimates

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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

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

Symbols and abbreviations

Stats SA Statistics South Africa
.. not available
- nil or not applicable

\* revised since previous publication

avg average

#### TECHNICAL NOTES

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#### Response rate

- The response rate for the CPI for the metropolitan areas for October 2002 was 95%.
- The response rate for the CPI for the metropolitan and other urban areas for October 2002 was 94%.

#### **Annual inflation rate**

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

### Annual percentage change

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

### Average annual inflation rate

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

### Average annual percentage change

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

# CPI excluding interest rates on mortgage bonds (CPIX)

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

In other countries in the world such as New Zealand, Sweden and Australia, which adopted as inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, and the CPI excluding interest rates on mortgage bonds. Stats SA has accordingly calculated these measures and the CPI excluding interest rates on mortgage bonds CPIX, is included in this release (cf. table1 on page 13).

#### Core index

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

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

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

#### Core inflation

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

#### Establishment

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

#### **Indicator products**

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

#### Inflation rate

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

#### Metropolitan area

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

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

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

### Monthly percentage change

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

#### Weights

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

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