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Consumer Price Index (CPI)

October 2003

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Stats 5

EXECUTIVE SUMMARY

KEY FIGURES AT OCTOBER 2003

		Indices (2000=100)		Percentage change between			
Main indices	October 2002	September 2003	October 2003	Septem a Octob	October 2002 and October 2003		
				Actual %	Seasonally adjusted %	Actual %	
CPI (historical metropolitan areas)	119,9	122,5	121,7	- 0,7	- 0,4	+ 1,5	
CPI excluding interest rates on mortgage bonds (CPIX) (historical metropolitan and other urban areas)	120,3	125,6	125,6	0,0	+ 0,1	+ 4,4	

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KEY FINDINGS AT OCTOBER 2003

The headline inflation rate at October 2003 (i.e. the Consumer Price Index for the historical metropolitan areas at October 2003 compared with that at October 2002) is 1,5%, the lowest since October 1999 when the rate was 1,7%

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at October 2003 compared with that at October 2002) is 1,5% at October 2003. This rate is 2,2 percentage points lower than the corresponding annual rate of 3,7% at September 2003 (i.e. the percentage change in the CPI for the historical metropolitan areas at September 2003 compared with that at September 2002) (cf. table 2.1, p.14). This lower annual rate at October 2003 compared with that at September 2003 can be explained by decreases in the annual rates of change for the following:

- The CPI for food for which the rate decreased from 4,2% at September 2003 to a lower rate of 2,8% at October 2003.
- The CPI for transport for which the rate decreased from 2,2% at September 2003 to a lower rate of 0,8% at October 2003.
- The CPI for furniture and equipment for which the rate decreased from 2,1% at September 2003 to a lower rate of 2,0% at October 2003.
- The CPI for housing for which the rate decreased from 2,0% at September 2003 to a lower rate of 4,3% at October 2003.
- The CPI for "other" products for which the rate decreased from 0,7% at September 2003 to a lower rate of 3,1% at October 2003.

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

• The CPI for household operation for which the rate increased from 5,1% at September 2003 to a higher rate of 7,6% at October 2003.

From September 2003 to October 2003 the Consumer Price Index for the historical metropolitan areas decreased by 0,7% and the seasonally adjusted index decreased by 0,4%.

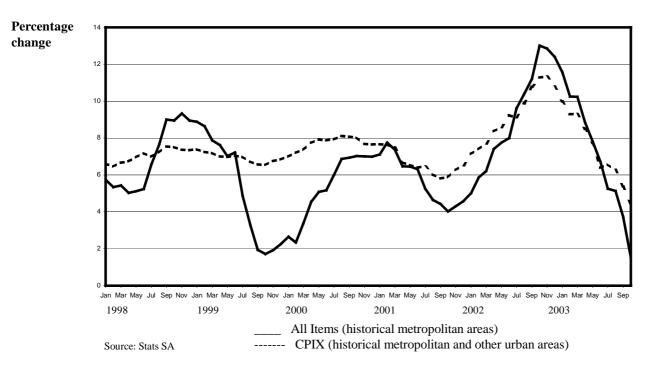
The annual increase of 1,5% in the Consumer Price Index for the historical metropolitan areas is mainly due to annual increases in the price indices for medical care and health expenses (+ 0,6 of a percentage point), food (+ 0,5 of a percentage point), education (+ 0,4 of a percentage point), household operation (+ 0,3 of a percentage point) and communication (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for housing (- 0,9 of a percentage point), recreation and entertainment (- 0,2 of a percentage point), transport (- 0,1 of a percentage point) and "other" products (- 0,1 of a percentage point) (cf. table 3, p.15).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan and other urban areas is 4,4% at October 2003 (i.e. the CPIX at October 2003 compared with that at October 2002)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the historical metropolitan and other urban areas is 4,4% at October 2003 (i.e. the CPIX at October 2003 compared with that at October 2002). This rate is 1,0 percentage point lower than the corresponding annual rate of 5,4% at September 2003 (cf. table 2.2, p.14). From September 2003 to October 2003 the CPIX for the historical metropolitan and other urban areas remained unchanged, while the seasonally adjusted index increased by 0,1%.

The annual increase of 4,4% in the CPIX for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for housing, excluding interest rates on mortgage bonds (+ 1,3 percentage points, due to increases in all component in certain areas), food (+ 0,7 of a percentage point), medical care and health expenses (+ 0,7 of a percentage point), household operation (+ 0,4 of a percentage point) and education (+ 0,4 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for recreation and entertainment (- 0,2 of a percentage point), transport (- 0,1 of a percentage point) and "other" products (- 0,1 of a percentage point) (cf. table 9, p.16).

Figure 1 - Annual percentage change in the Consumer Price Index



CPI FOR NOVEMBER 2003

In addition to the usual price surveys for November 2003, a survey of bus tariffs 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 2003.

P J Lehohla

Statistician-General: Statistics South Africa

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HISTORICAL METROPOLITAN AREAS

KEY FIGURES AT OCTOBER 2003

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

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indices		Indices (2000=100)		Percentage change between			
Main Indices	October 2002	September 2003	October 2003	Septer Octo	October 2002 and October 2003		
				Actual	Seasonally adjusted	Actual	
				%	%	%	
СРІ	119,9	122,5	121,7	- 0,7	- 0,4	+ 1,5	
CPI excluding interest rates on							
mortgage bonds (CPIX)	120,3	125,7	125,7	0,0	+ 0,2	+ 4,5	
Core index	119,2	125,3	125,2	- 0,1	+ 0,1	+ 5,0	
Food price index	128,9	131,7	132,5	+ 0,6	0,0	+ 2,8	
CPI excluding food price index	117,8	120,4	119,2	- 1,0	- 0,7	+ 1,2	
CPI excluding Value Added Tax (VAT)	119,9	122,5	121,7	- 0,7	- 0,4	+ 1,5	

KEY FINDINGS AT OCTOBER 2003

The headline inflation rate at October 2003 (i.e. the Consumer Price Index for the historical metropolitan areas at October 2003 compared with that at October 2002) is 1,5%, the lowest since October 1999 when the rate was 1,7%

The official inflation rate (i.e. the percentage change in the CPI for the historical metropolitan areas at October 2003 compared with that at October 2002) is 1,5% at October 2003. This rate is 2,2 percentage points lower than the corresponding annual rate of 3,7% at September 2003 (i.e. the percentage change in the CPI for the historical metropolitan areas at September 2003 compared with that at September 2002) (cf. table 2.1, p.14). This lower annual rate at October 2003 compared with that at September 2003 can be explained by decreases in the annual rates of change for the following:

- The CPI for food for which the rate decreased from 4,2% at September 2003 to a lower rate of 2,8% at October 2003.
- The CPI for transport for which the rate decreased from 2,2% at September 2003 to a lower rate of -0,8% at October 2003.
- The CPI for furniture and equipment for which the rate decreased from 2,1% at September 2003 to a lower rate of 2,0% at October 2003
- The CPI for housing for which the rate decreased from 2,0% at September 2003 to a lower rate of 4,3% at October 2003.
- The CPI for "other" products for which the rate decreased from 0,7% at September 2003 to a lower rate of 3,1% at October 2003.

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

• The CPI for household operation for which the rate increased from 5,1% at September 2003 to a higher rate of 7,6% at October 2003.

From September 2003 to October 2003 the Consumer Price Index for the historical metropolitan areas decreased by 0,7% and the seasonally adjusted index decreased by 0,4%.

The annual increase of 1,5% in the Consumer Price Index for the historical metropolitan areas is mainly due to annual increases in the price indices for medical care and health expenses (+0.6) of a percentage point, food (+0.5) of a percentage point, education (+0.4) of a percentage point, household operation (+0.3) of a percentage point and communication (+0.3) of a percentage point. These annual increases were slightly counteracted by annual decreases in the price indices for housing (-0.9) of a percentage point, recreation and entertainment (-0.2) of a percentage point, housing (-0.9) of a percentage point, transport (-0.1) of a percentage point and "other" products (-0.1) of a percentage point) (cf. table 3, p.15).

From September 2003 to October 2003 the Consumer Price Index for the historical metropolitan areas decreased by 0,7%. This monthly decrease is due to monthly decreases in the price index for housing (- 0,7 of a percentage point, mainly due to a 1,0% decrease in the interest rates on mortgage bonds) and transport (- 0,2 of a percentage point, mainly due to a 22c\l decrease in the price of petrol). These monthly decreases were partially counteracted by monthly increases in the price indices for household operation (+ 0,1 of a percentage point) and food (+ 0,1 of a percentage point) (cf. table 4, p.15).

Annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) is 4,5% at October 2003 (i.e. the percentage change in the CPIX at October 2003 compared with that at October 2002)

The annual percentage change in the CPIX for the historical metropolitan areas is 4,5% at October 2003 (i.e. the percentage change in the CPIX at October 2003 compared with that at October 2002). This rate is 1,0 percentage point lower than the corresponding annual rate of 5,5% at September 2003. From September 2003 to October 2003 the CPIX for the historical metropolitan areas, remained unchanged, while the seasonally adjusted index increased by 0,2%.

The annual increase of 4,5% in the CPIX for the historical metropolitan areas is mainly due to annual increases in the price indices for housing, excluding interest rates on mortgage bonds (+ 1,4 percentage points, due to increases in all components in certain areas), food (+ 0,8 of a percentage point), medical care and health expenses (+ 0,6 of a percentage point), household operation (+ 0,4 of a percentage point) and education (+ 0,4 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for recreation and entertainment (- 0,2 of a percentage point), "other" products (- 0,2 of a percentage point) and transport (- 0,1 of a percentage point) (cf. table 7, p.16).

From September 2003 to October 2003 the CPIX for the historical metropolitan areas remained unchanged. Although the index remained unchanged monthly increases occurred in the price indices for food (+0.2) of a percentage point) and household operation (+0.1) of a percentage point). These monthly increases were counteracted by a monthly decrease in the price index for transport (-0.3) of a percentage point, mainly due to a $22c\$ decrease in the price of petrol) (cf. table 8, p.16).

Core inflation rate

The core inflation rate for the historical metropolitan areas (cf. explanatory notes 33, 34 and 35 on page 34) is 5,0% at October 2003 (i.e. the core index at October 2003 compared with that at October 2002). This rate is 0,7 of a percentage point lower than the corresponding annual rate of 5,7% at September 2003. From September 2003 to October 2003 the core index for the historical metropolitan areas decreased by 0,1%, while the seasonally adjusted index increased by 0,1%.

The annual increase of 5.0% in the core index for the historical metropolitan areas is mainly due to annual increases in the price indices for housing (+ 1,6 percentage points, due to increases in all components in certain areas), medical care and health expenses (+ 0,8 of a percentage point), education (+ 0,6 of a percentage point), food (+ 0,5 of a percentage point), communication (+ 0,4 of a percentage point) and household operation (+ 0,4 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for recreation and entertainment (- 0,2 of a percentage point) and transport (- 0,2 of a percentage point) (cf. table 11, p.17).

From September 2003 to October 2003 the core index for the historical metropolitan areas decreased by 0,1%. This monthly decrease is due to a monthly decrease in the price index for transport (- 0,3 of a percentage point, mainly due to a 22c\l decrease in the price of petrol). This monthly decrease was partially counteracted by a monthly increase in the price index for household operation (+ 0,2 of a percentage point) (cf. table 12, p.17).

Food inflation

The price index for food reflects an annual rate of increase of 2,8% at October 2003 (i.e. the CPI for food at October 2003 compared with that at October 2002). This rate is 1,4 percentage points lower than the corresponding annual rate of 4,2% at September 2003. From September 2003 to October 2003 this index increased by 0,6% and the seasonally adjusted index remained unchanged.

Annual increases occurred in the price indices for "other" food products (+7.9%), milk, cheese and eggs (+7.8%), fats and oils (+6.3%), sugar (+6.2%), fish and other seafood (+3.9%), fruit and nuts (+3.5%), coffee, tea and cocoa (+2.2%), grain products (+1.5%) and vegetables (+1.3%). These annual increases were partially counteracted by an annual decrease in the price index for meat (-1.7%) (cf. table 15, p.18).

Monthly increases occurred in the price indices for vegetables (+2.9%), fruit and nuts (+2.4%), fish and other seafood (+2.0%), fats and oils (+1.5%), "other" food products (+0.3%), meat (+0.3%) and grain products (+0.2%). These monthly increases were partially counteracted by monthly decreases in the price indices for sugar (-0.5%), coffee, tea and cocoa (-0.3%) and milk, cheese and eggs (-0.1%) (cf. table 15, p.18).

Price index for non-food items

The price index for non-food items shows an annual rate of increase of 1,2% at October 2003 (i.e. the price index for non-food items at October 2003 compared with that at October 2002). This rate is 2,5 percentage points lower than the corresponding annual rate of 3,7% at September 2003. From September 2003 to October 2003 this index decreased by 1,0% and the seasonally adjusted index decreased by 0,7%.

Relatively large annual increases occurred in the price indices for alcoholic beverages (+11,9%), cigarettes, cigars and tobacco (+10,8%), communication (+9,7%), education (+9,6%), non- alcoholic beverages (+8,4%), medical care and health expenses (+7,9%), household operation (+7,6%), fuel and power (+6,9%) and reading matter (+5,4%). These annual increases were slightly counteracted by annual decreases in the price indices for recreation and entertainment (-5,7%), housing (-4,3%), "other" products (-3,1%), clothing and footwear (-0,8%) and transport (-0,8%) (cf. table 15, p.18).

Relatively large monthly decreases occurred in the price indices for housing (- 3.0%, mainly due to a 1.0% decrease in the interest rates on mortgage bonds), transport (- 1.7%, mainly due to a $22c\l$ decrease in the price of petrol), "other" products (- 1.1%) and non-alcoholic beverages (- 0.5%). These monthly decreases were partially counteracted by relatively large monthly increases in the price indices for household operation (+ 2.5%), alcoholic beverages (+ 0.3%) and personal care (+ 0.3%) (cf. table 15, 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 2003 and the average index of the previous three months. This approach, when using seasonally adjusted data shows an increase of 0,9% (which is 0,1 of a percentage point higher than the corresponding rate of 0,8% for September 2003), while the unadjusted data shows a decrease of 0,5% (which is the same as the corresponding rate for September 2003).

Pensioners

The annual inflation rate for pensioners in the historical metropolitan areas is 3,7% at October 2003 (i.e. the CPI for pensioners at October 2003 compared with that at October 2002), which is 1,2 percentage point lower than the corresponding rate of 4,9% at September 2003 (cf. table 27, p.29).

HISTORICAL METROPOLITAN AND OTHER URBAN AREAS

KEY FIGURES AT OCTOBER 2003

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

		Indices (2000=100)		Percentage change between			
Main indices	October 2002	September 2003	October 2003	Septer Octo	October 2002 and October 2003		
				Seasonally			
				Actual %	adjusted %	Actual %	
СРІ	119,8	122,8	122,1	- 0,6	- 0,4	+ 1,9	
CPI excluding interest rates on							
mortgage bonds (CPIX)	120,3	125,6	125,6	0,0	+ 0,1	+ 4,4	
Core index	118,9	125,1	125,0	- 0,1	+ 0,2	+ 5,1	
Food price index	130,1	132,5	133,3	+ 0,6	- 0,1	+ 2,5	
CPI excluding food price index	117,4	120,4	119,3	- 0,9	- 0,5	+ 1,6	
CPI excluding Value Added Tax (VAT)	119,8	122,8	122,1	- 0,6	- 0,4	+ 1,9	

KEY FINDINGS AT OCTOBER 2003

Inflation rate for the historical metropolitan and other urban areas is 1,9% at October 2003 (i.e. the CPI at October 2003 compared with that at October 2002)

The inflation rate for the historical metropolitan and other urban areas is 1,9% at October 2003 (i.e. the CPI at October 2003 compared with that at October 2002) (cf. table 5, p.15). This rate is 2,1 percentage points lower than the corresponding annual rate of 4,0% at September 2003. This lower annual rate at October 2003 compared with that at September 2003, can be explained by decreases in the annual rate of change for the following:

- The CPI for food for which the rate decreased from 3,8% at September 2003 to a lower rate of 2,5% at October 2003.
- The CPI for transport for which the rate decreased from 2,4% at September 2003 to a lower rate of -0,5% at October 2003.
- The CPI for housing for which the rate decreased from 1,8% at September 2003 to a lower rate of 4,3% at October 2003.
- The CPI for "other" products for which the rate decreased from 0,6% at September 2003 to a lower rate of 3,0% at October 2003.

From September 2003 to October 2003 the Consumer Price Index for the historical metropolitan and other urban areas decreased by 0,6% and the seasonally adjusted index decreased by 0,4%.

The annual increase of 1,9% 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 (+0.7) of a percentage point, medical care and health expenses (+0.6) of a percentage

point), education (+ 0,3 of a percentage point), communication (+ 0,3 of a percentage point), household operation (+ 0,3 of a percentage point) and fuel and power (+ 0,3 of a percentage point). These annual increases were slightly counteracted by an annual decrease in the price index for housing (- 0,9 of a percentage point), recreation and entertainment (- 0,1 of a percentage point), transport (- 0,1 of a percentage point) and "other" products (- 0,1 of a percentage point) (cf. table 5, p.15).

From September 2003 to October 2003 the Consumer Price Index for the historical metropolitan and other urban areas decreased by 0,6%. This monthly decrease is due to monthly decreases in the price indices for housing (- 0,6 of a percentage point, mainly due to a 1,0% decrease in the interest rates on mortgage bonds) and transport (- 0,2 of a percentage point, mainly due to a 22c\l decrease in the price of petrol). These monthly decreases were partially counteracted by monthly increases in the price indices for food (+ 0,1 of a percentage point) and household operation (+ 0,1 of a percentage point) (cf. table 6, p.15).

The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the historical metropolitan and other urban areas is 4,4% at October 2003 (i.e. the CPIX at October 2003 compared with that at October 2002)

The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the historical metropolitan and other urban areas is 4,4% at October 2003 (i.e. the CPIX at October 2003 compared with that at October 2002). This rate is 1,0 percentage point lower than the corresponding annual rate of 5,4% at September 2003 (cf. table 2.2, p.14). From September 2003 to October 2003 the CPIX for the historical metropolitan and other urban areas remained unchanged, while the seasonally adjusted index increased by 0,1%.

The annual increase of 4,4% in the CPIX for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for housing, excluding interest rates on mortgage bonds (+ 1,3 percentage points, due to increases in all component in certain areas), food (+ 0,7 of a percentage point), medical care and health expenses (+ 0,7 of a percentage point), household operation (+ 0,4 of a percentage point) and education (+ 0,4 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for recreation and entertainment (- 0,2 of a percentage point), transport (- 0,1 of a percentage point) and "other" products (- 0,1 of a percentage point) (cf. table 9, p.16).

From September 2003 to October 2003 the CPIX for the historical metropolitan and other urban areas remained unchanged. Although the index remained unchanged, monthly increases occurred in the price indices for food (+ 0,1 of a percentage point) and household operation (+ 0,1 of a percentage point). These monthly increases were counteracted by a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a 22c\l decrease in the price of petrol) (cf. table 10, p.16).

Core inflation rate

The core inflation rate for the historical metropolitan and other urban areas (cf. explanatory notes 33, 34 and 35 on page 34) is 5,1% at October 2003 (i.e. the core index at October 2003 compared with that at October 2002). This rate is 0,7 of a percentage point lower than the corresponding annual rate of 5,8% at September 2003. From September 2003 to October 2003 the core index for the historical metropolitan and other urban areas decreased by 0,1%, while the seasonally adjusted index increased by 0,2%.

The annual increase of 5,1% in the core index for the historical metropolitan and other urban areas is mainly due to annual increases in the price indices for housing (+ 1,4 percentage points), medical care and health expenses (+ 0,8 of a percentage point), food (+ 0,6 of a percentage point), education (+ 0,6 of a percentage point) and household operation (+ 0,4 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for recreation and entertainment (- 0,2 of a percentage point) and transport (- 0,1 of a percentage point) (cf. table 13, p.17).

From September 2003 to October 2003 the core index for the historical metropolitan and other urban areas decreased by 0,1%. This monthly decrease is due to a monthly decrease in the price index for transport (- 0,3 of a percentage point, mainly due to a 22c\l increase in the price of petrol), which was slightly counteracted by a monthly increase in the price index for household operation (+ 0,2 of a percentage point) (cf. table 14, p.17).

Food inflation

The price index for food reflects an annual rate of increase of 2,5% at October 2003 (i.e. the CPI for food at October 2003 compared with that at October 2002). This rate is 1,3 percentage points lower than the corresponding annual rate of 3,8% at September 2003. From September 2003 to October 2003 this index increased by 0,6%, while the seasonally adjusted index decreased by 0,1%.

Annual increases occurred in the price indices "other" food products (+7.8%), milk, cheese and eggs (+7.8%), sugar (+7.5%), fats and oils (+5.8%), fruit and nuts (+4.2%), fish and other seafood (+3.2%), coffee, tea and cocoa (+1.7%), grain products

(+1,3%) and vegetables (+0,2%). These annual increases were partially counteracted by an annual decrease in the price index for meat (-2,1%) (cf. table 16, p.19).

Monthly increases occurred in the price indices for vegetables (+3,0%), fruit and nuts (+1,7%), fish and other seafood (+1,6%), fats and oils (+1,1%), meat (+0,4%), "other" food products (+0,3%) and grain products (+0,1%). These monthly increases were partially counteracted by monthly decreases in the price indices for sugar (-0,5%) and coffee, tea and cocoa (-0,2%) and (cf. table 16, p.19).

Price index for non-food items

The price index for non-food items shows an annual rate of increase of 1,6% at October 2003 (i.e. the non-food index at October 2003 compared with that at October 2002). This rate is 2,3 percentage points lower than the corresponding annual rate of 3,9% at September 2003. From September 2003 to October 2003 this index decreased by 0,9% and the seasonally adjusted index decreased by 0,5%.

Relatively large annual increases occurred in the price indices for alcoholic beverages (+11,9%), cigarettes, cigars and tobacco (+10,8%), communication (+9,8%), education (+8,7%), medical care and health expenses (+8,3%), non-alcoholic beverages (+8,1%), household operation (+7,6%), fuel and power (+7,0%), reading matter (+5,0%) and personal care (+5,0%). These annual increases were slightly counteracted by relatively large annual decreases in the price indices for recreation and entertainment (-5,2%), housing (-4,3%), "other" products (-3,0%), transport (-0,5%) and clothing and footwear (-0,5%) (cf. table 16, p.19).

Relatively large monthly decreases occurred in the price indices for housing (- 2.7%, mainly due to a 1,0% decrease in the interest rates on mortgage bonds), transport (- 1.5%, mainly due to a $22c\$ decrease in the price of petrol) and "other" products (- 1.1%). These monthly decreases were slightly counteracted by a relatively large monthly increase in the price index for household operation (+ 1.6%) (cf. table 16, p.19).

An alternative expression of the change in the Consumer Price Index

An alternative expression of the change in the Consumer Price Index is to annualise the percentage change between the average index of the three months up to October 2003 and the average index of the previous three months. This approach, when using seasonally adjusted data shows an increase of 0.8% (which is 0.1 of a percentage point higher than the corresponding rate of 0.7% for September 2003), while the unadjusted data shows a decrease of 0.4% (which is 0.3 of a percentage point lower than the corresponding rate of -0.1% for September 2003).

Areas indices

The other urban areas of Mpumalanga recorded the highest annual inflation rate of 4,0%, while the lowest annual inflation rate of -1,5% was recorded for the Polokwane area (cf. table 21, p.24).

Regarding food prices, the highest annual inflation rate of 5,8% was recorded for the other urban areas of Mpumalanga, while the other urban areas of KwaZulu Natal recorded the lowest annual increase of 0,2% (cf. table 22, p.25).

Pensioners

The East London area recorded the highest annual rate of increase of 6,1%, while the lowest annual rate of increase of 0,2% was recorded for the Port Elizabeth/Uitenhage area (cf. table 27, p.29).

NOTES

Forthcoming Issue Expected date for publication issues November 2003 17 December 2003

 November 2003
 17 December 2003

 December 2003
 27 January 2004

 January 2004
 24 February 2004

 February 2004
 30 March 2004

 March 2004
 26 April 2004

 April 2004
 25 May 2004

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.14).

Stats SA releases detailed figures on the CPIX (cf. tables 17 and 18 on pages 20 and 21). The detailed figures were introduced and published as from February 2000.

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

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

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

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

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

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

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

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

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

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

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

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

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

Indices Percentage change between (2000=100) Expenditure Sep 2003 Oct 2002 group/Area indices and and Oct 2003 Oct 2003 Oct Oct Sep 2002 2003 2003 Actual Seasonally Actual adjusted % % Expenditure group indices Very low expenditure 125.0 128.5 129.0 +0.4 +0.3 +3.2 Low expenditure 124,8 128,7 129,1 +0,3 +0,2 +3,4 +0,2 Middle expenditure 122,9 125,3 125,5 +0,2 +2,1 126,2 High expenditure 121,5 126,1 -0,1 -0,1 +3,8 -0,9 +0,9 Very high expenditure 118.8 121.0 119.9 -0,6 All expenditure groups -1) -0,7 +1,5 Historical metropolitan areas 119,9 122,5 121,7 -0,4 Historical metropolitan and other urban areas 122,8 122,1 -0,6 -0,4 CPI excluding interest rates on mortgage bonds (CPIX) -Historical metropolitan areas 120,3 125,7 125,7 0,0 +0,2 +4,5 Historical metropolitan and other urban areas 120.3 125,6 125,6 0,0 +0.1 +4,4 Core index -Historical metropolitan areas 119,2 125,3 125,2 -0,1 +0,1 +5,0 Historical metropolitan and 118,9 125,1 125,0 -0,1 +0,2 +5,1 other urban areas Food only index -Historical metropolitan areas 128.9 131.7 132.5 +0.6 0.0 +2.8 Historical metropolitan and other urban areas 130,1 132,5 133,3 +0,6 -0,1 +2,5 CPI excluding food Historical metropolitan areas 117,8 120,4 119,2 -1,0 -0,7 +1,2 Historical metropolitan and 117.4 120.4 -0.9 other urban areas 119.3 -0.5 +1.6 CPI excluding VAT 1) 1) 1) Historical metropolitan areas 119,9 122.5 121.7 -0,7 -0.4 +1.5 Historical metropolitan and other urban areas 119,8 122,8 122,1 -0,6 -0,4 +1,9

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

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

Base year: 2000 = 100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2001	Index % 1)	103,8 +7,1	104,1 +7,8	104,8 +7,4	105,3 +6,5	105,7 +6,4	106,2 +6,3	106,1 +5,3	105,9 +4,6	106,2 +4,4	106,1 +4,0	106,6	107,2 +4,6	105,7 +5,7 2)
2002	Index % 1)	109,0 +5,0	110,2 +5,9	111,3 +6,2	113,1 +7,4	113,9 +7,8	114,7 +8,0	116,3 +9,6	116,9 +10,4	118,1 +11,2	119,9 +13,0	120,3 +12,9	120,5 +12,4	115,4 +9,2 2)
2003	Index % 1)	121,6 +11,6	121,5 +10,3	122,7 +10,2	123,1	122,8	122,4 +6,7	122,4 +5,2	122,9 +5,1	122,5 +3,7	121,7 +1,5			 2)

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

Year	Index Jan.	Feb. Mar.	Apr. 1	====== May	Jun. 0	Jul.	Aug.	Sep.	Oct.	Nov.	Dec. Ave.
	Index 103,8 % 1) +7,7										
2002	Index 111,2 % 1) +7,1	111,8 113,0 +7,4 +7,7	114,2	115,0 +8,6	116,1	117,1 +9,1	117,9 +9,9	119,2 +10,8	120,3 +11,3	120,9 +11,3	121,1 116,5 +10,8 +9,3 2
2003	Index 122,3 % 1) +10,0										2)

Table 2.3 - Food Index on a monthly basis for the historical metropolitan areas

Base year: 2000 = 100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
	Index % 1)	101,6 +5,0	102,7 +5,3	103,1 +4,6	103,5 +4,0	104,2	104,1 +3,2	104,6	105,1 +4,0	106,1 +4,6	107,6 +6,3	109,5 +8,5	112,2	105,4 +5,4 2)
2002	Index % 1)	114,1 +12,3	114,7 +11,7	116,5 +13,0	118,2 +14,2	118,8 +14,0	120,6 +15,9	122,2 +16,8	124,1 +18,1	126,4 +19,1	128,9 +19,8	129,7 +18,4	130,3	122,0 +15,7 2)
2003	Index % 1)	131,8 +15,5	131,0 +14,2	131,0 +12,4	131,3 +11,1	131,9 +11,0	131,0 +8,6	131,1 +7,3	131,8 +6,2	131,7 +4,2	132,5 +2,8	· · · ·	 	2)

^{1) % =} annual inflation rate

²⁾ Average annual inflation rate

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

Group | Contribution at | Contribution at | September 2003 October 2003 0,9 0,5 Non-alcoholic beverages 0,1 0,1 Alcoholic beverages 0,2 0,2 Cigarettes, cigars and tobacco 0,1 0,1 Housing
Fuel and power 0,4 -0,9 0,2 0.2 Furniture and equipment Household operation 0,1 0,0 0,3 Medical care and health expenses 0,6 0,6 Transport 0.3 -0.1 Communication 0,3 0,3 Recreation and entertainment Education 0,4 0,4 Personal care 0.1 0.1 Other 0,0 -0,1 All groups 3.7 1.5

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

Group	Contribution at September 2003	Contribution at October 2003
Food Housing Household operation Transport	0,0 -0,5 0,1 0,1	0,1 -0,7 0,1 -0,2
All groups	-0,3	-0,7

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

Group	Contribution at September 2003	Contribution at October 2003
Food	1,0	0,7
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Housing	0,4	-0,9
Fuel and power	0,3	0,3
Household operation	0,3	0,3
Medical care and health expenses	0,6	0,6
Transport	0,3	-0,1
Communication	0,3	0,3
Recreation and entertainment	-0,1	-0,1
Education	0,3	0,3
Personal care	0,2	0,2
Other	0,0	-0,1
All groups	4,0	1,9

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

Group	Contribution at September 2003	Contribution at October 2003
Food Housing Household operation Transport	0,0 -0,5 0,1 0,1	0,1 -0,6 0,1 -0,2
All groups	-0,3	-0,6

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

______ Contribution at | Contribution at | Group September 2003 October 2003 Food 1,0 0,8 Non-alcoholic beverages 0,1 0,1 0,2 Alcoholic beverages Cigarettes, cigars and tobacco 0,2 0,1 Housing 1,6 1,4 Fuel and power 0,3 0,3 Furniture and equipment 0,1 0,1 Household operation 0,3 Medical care and health expenses 0,6 0,6 Transport. 0.4 -0.1Communication 0,3 0,3 Recreation and entertainment -0,2 -0,2 Education 0,4 0,4 Personal care 0,2 0,3 Other 0,0 -0,2 5,5 All groups 4,5

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

Group	Contribution at September 2003	Contribution at October 2003
Food Housing Household operation Medical care and health expenses Transport Other	0,0 0,1 0,1 0,1 0,1 -0,1	0,2 0,0 0,1 0,0 -0,3 0,0
All groups	0,3	0,0

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

Group	Contribution at September 2003	Contribution at October 2003
Food	1,0	0,7
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,2	0,2
Housing	1,4	1,3
Fuel and power	0,3	0,3
Furniture and equipment	0,1	0,0
Household operation	0,3	0,4
Medical care and health expenses	0,7	0,7
Transport	0,4	-0,1
Communication	0,3	0,3
Recreation and entertainment	-0,2	-0,2
Education	0,4	0,4
Personal care	0,2	0,2
Other	0,0	-0,1
All groups	5,4	4,4

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

Group	Contribution at September 2003	Contribution at October 2003
Food Housing Household operation Transport Other	0,0 0,1 0,1 0,1 -0,1	0,1 0,0 0,1 -0,2 0,0
All groups	0,2	0,0

 $\begin{tabular}{lll} Table 11 - Contributions of different groups to the annual percentage change in the Core index for the historical metropolitan areas \\ \end{tabular}$

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

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

Group	Contribution at September 2003	Contribution at October 2003
Housing Household operation Transport Medical care and health expenses	0,1 0,1 0,1 0,1	0,0 0,2 -0,3 0,0
All groups	0,4	

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

Group	Contribution at September 2003	Contribution at October 2003
Food	0,6	0,6
Non-alcoholic beverages	0,2	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,2	0,2
Housing	1,5	1,4
Fuel and power	0,3	0,3
Furniture and equipment	0,1	0,1
Household operation	0,4	0,4
Medical care and health expenses	0,8	0,8
Transport	0,4	-0,1
Communication	0,3	0,3
Recreation and entertainment	-0,2	-0,2
Education	0,6	0,6
Personal care	0,3	0,3
Other	0,1	0,1
All groups	5,8	5,1

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

Group	Contribution at September 2003	Contribution at October 2003
Food Housing Medical care and health expenses Household operation Transport	-0,1 0,1 0,1 0,1 0,1 0,1	0,0 0,0 0,0 0,0 0,2 -0,3
All groups	0,3	-0,1

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

Indices Percentage change (2000=100) between Group/Product |Weights|-----| | | Sep 2003 Oct Sep Oct and 2002 2003 2003 Oct 2003 Oct 2002 and | and | Oct 2003 Oct 2003 _____i___i___i___i 121,7 -0.7 CPI: All items 119,9 122,5 +1.5 100,00 129,0 129,1 125,5 126,1 119,9 +0,4+0,3+0,2 0,91 125,0 128,5 +3,2 Expenditure groups - Very low LOW 1,76 124,8 128,7 +3,4 Middle 6,36 122,9 125,3 +2,1 14,57 High 121,5 126,2 -0,1 +3,8 Very high 76,40 121,0 -0,9 118.8 +0.9 Commodities 57.14 121.0 123.9 123.6 -0,2 -1,3 +2.1 120,7 Services 42,86 118,2 119,1 +0,8 77.86 İ 119.0 123.1 123.1 0.0 CPI: All items, excluding housing +3.4 CPI: All items, excluding food 79,01 117,8 120,4 119,2 -1,0 +1,2 131,7 132,5 +2,8 Food 20.99 İ 128.9 +0.6 133,6 134,3 133,8 133,2 131,9 51,39 131,5 132,7 +0,7 Expenditure groups - Very low +1,6 131,8 49,01 133,6 +0,5 Low +1,9 Middle 43,39 130.9 133.1 +0.5 +2.2 129,8 High 33,07 132,4 +0,6 +2,6 Very high 15,82 128,0 131,1 +0,6 +3,0 133,7 130,8 +0,1 +1,3 127,1 133,5 11.91 +5.2 Processed 129,1 Unprocessed 131,2 -0,3 9,08 132,1 130,4 132,8 145,3 136,8 119,4 132,5 128,3 122,4 134,0 Grain products 3.81 130.1 131.9 +0.2 +1.5 130,0 Meat 5,66 132.6 +0.3 -1,7 Fish and other seafood 0,69 127,8 130,2 +2,0 +3,9 Milk, cheese and eggs 1,96 134,8 145,4 -0,1 Fats and oils 0.76 128,7 134,8 +1.5 +6,3 Fruit and nuts 1,09 115.4 116.6 +2.4 +3.5 Vegetables 2,00 130,8 128,8 +2,9 +1,3 0,50 120,8 129,0 -0,5 Sugar +6,2 Coffee, tea and cocoa 1.07 119.8 122.8 +0,3 -0.3 +2.2 Other 3,45 124.2 133,6 +7.9 132,1 132,4 132,7 132,0 -0,5 +0,3 Non-alcoholic beverages 1,10 121,9 +8,4 Alcoholic beverages 1,40 118,3 +11,9 0,0 141,1 141,1 Cigarettes, cigars and tobacco 1,14 127,4 +10,8 100,9 100,0 100,1 100,1 +0,1 102,5 +0,9 95,2 -1,2 3.25 Clothing and footwear -0.8 Clothing 100,8 101,6 102,5 2,04 +1.7 1,21 100,1 96,4 -4,9 Footwear 121,8 120,2 Housing 22.14 116.6 -3.0-4.3 116,6 | 124,2 | Fuel and power 116,2 124,0 +0,2 3,49 +6,9 117,8 121,9 121,3 0.0 Furniture and equipment 2 53 115.5 117.8 +2 0 Furniture 0,95 116,7 121,9 0,0 +4,5 Appliances 0,80 120,7 121,4 -0,1 +0,5 Other household equipment and 0,78 109,1 0,0 textiles 108.5 109.1 +0.6 4,82 113,1 118,7 121,7 +2,5 +7,6 Household operation Household consumables 1.25 121.9 125,7 127.0 +1.0 +4.2 Domestic workers 3.48 110,0 116,3 119.9 +3.1 +9,0 Other household services 0,09 107,9 110,7 110,9 +0,2 +2,8 7.15 127.9 138.0 138.0 +7.9 Medical care and health expenses 0.0 119,2 117,2 14,84 118,2 -1,7 -0,8 Transport 118,4 119,5 119,1 -0,3 -3,2 Vehicles +0,6 Running cost 7,05 122.2 123,3 119,3 -2,4 Petrol 124.9 120,5 114.0 -5.4 -8.7 Public and hired transport 1,84 107,4 107,5 +0,1 106,3 +1,1 1,8 101,1 124,1 132,8 125,7 105,0 Communication 2.98 111.0 121.8 0.0 +9.7 Recreation and entertainment 3,31 107.2 101,1 0.0 -5.70,0 +0,2 0,0 +0,3 -1,1 123,8 117,7 Reading matter 0,39 +5,4 Education 3,48 121,2 132,8 +9,6 Personal care 3.67 121.0 125.3 +3.9 Other 3,32 108.4 106,2 -3.1

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

Indices Percentage change (2000=100) between Group/Product |Weights|------| |
 Oct
 Sep
 Oct
 and

 2002
 2003
 2003
 Oct 2003
 Oct 2002 and | and | Oct 2003 Oct 2003 _____i___i___i___i 122,1 -0.6 CPI: All items 119,8 122,8 +1.9 100,00 129,7 128,6 127,3 125,6 120,3 +0,5 +0,4 +0,2 0,0 1,39 125,8 129,1 +3,1 Expenditure groups - Very low 2,26 LOW 124,3 128,1 +3,5 Middle 127,0 8.11 122,7 +3.7 High 16,96 121,0 125,6 0,0 +3,8 Very high 71,28 121,3 -0,8 118.8 +1,3 124,6 119,0 Commodities 59.42 121.4 124.7 -0,1 -1,3 +2.6 120,6 Services 40,58 118,1 +0,8 123,6 79.30 İ 119.4 123.6 0.0 CPI: All items, excluding housing +3.5 CPI: All items, excluding food 76,98 117,4 120,4 119,3 -0,9 +1,6 130,1 132,5 133,3 +2,5 Food 23.02 İ +0,6 133,6 134,0 134,3 133,9 132,8 51,24 132,3 132,7 +0,7 +1,0 Expenditure groups - Very low 49,72 131,8 133,2 +0,6 Low +1,7 Middle +0,5 43,93 131.8 133.6 +1.9 High 33,68 130,9 133,1 +0,6 +2,3 Very high 16,69 129,2 132,0 +0,6 +2,8 134,2 | +0,1 132,2 | +1,2 127,5 134,1 12.81 Processed +5,3 130,6 Unprocessed 133,3 10,21 -0,8 133,0 131,4 137,3 144,6 135,8 122,8 131,8 130,8 122,3 136,5 Grain products 4.34 131.3 132.9 +0.1 +1.3 Meat 6,23 134.2 130,9 +0.4 -2.1 0,70 Fish and other seafood 133,0 135,1 +1,6 +3,2 Milk, cheese and eggs 134,1 144,6 0,0 Fats and oils 0.84 128.4 134,3 +1,1 +5,8 Fruit and nuts 117.9 120,7 1,13 +1.7 +4.2 Vegetables 131.5 127,9 +3,0 +0,2 -0,5 -0,2 +0,3 121,7 131,5 +7,5 Sugar 0,62 Coffee, tea and cocoa 1,14 120.2 122.5 +1.7 3,74 126.6 136.1 Other +7.8 130,5 131,5 130,9 131,3 -0,3 +0,2 Non-alcoholic beverages 1,13 120,7 +8,1 Alcoholic beverages 1.52 117,5 +11,9 143,6 129,6 143,5 Cigarettes, cigars and tobacco 1,21 +0,1 +10,8 99,7 99,2 -0,1 101,8 +0,9 94,7 -1,5 99,2 3.64 99.3 Clothing and footwear -0.5Clothing 100,9 101,8 2.27 99.9 +1.9 1,37 99,0 96,1 -4,3 Footwear 20,70 122,3 120,4 Housing 117.1 -2.7 -4.3 117,1 124,1 Fuel and power 116,0 124,0 +0,1 +7,0 3,84 114,7 Furniture and equipment 2.82 116.5 116.4 -0 1 +1.5 119,9 Furniture 1,08 115,8 119,9 0,0 +3,5 Appliances 0,84 119,4 120,5 120,4 -0,1 +0,8 Other household equipment and 108,0 0,0 textiles 0.90 108.3 108,0 -0.3123,5 129,2 121,5 111,2 114,8 121,5 +7,6 Household operation Household consumables 1,34 124,4 128.4 +0.6 +3,9 Domestic workers 3.22 111,0 118,9 +2,2 +9.5 Other household services 0,12 108,0 110,8 +0,4 +3,0 138.1 138.1 Medical care and health expenses 6,90 127.5 0.0 +8,3 ,7 | ,7 | .18,9 | 112,3 | 106,1 | 122,1 71,1 13,72 116,9 118,1 -1,5 -0,5 Transport -U,2 -2,9 Vehicles 116,5 117,9 +1,0 Running cost -1,9 -7,9 6,56 121,2 122,5 -4,8 Petrol 121.9 118.0 Public and hired transport 2.05 105,2 106,1 0,0 +0,9 Communication 2.86 111.2 122.1 +9.8 Recreation and entertainment 3,04 106.6 101,1 -5.2Reading matter 0,36 117,1 122,8 +5,0 Education 3,38 121,8 132,4 +8,7 Personal care 3.92 121.5 127.2 +5.0 Other 3,26 108.0 106,0 -3.0

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

Group/Product	 Weights		Indices (2000=100)	Percentage change between		
Group/Froduct	Weights 	Oct 2002	 Sep 2003	 Oct 2003	Sep 2003 and Oct 2003	 Oct 2002 and Oct 2003
CPI: All items	100,00	120,3	125,7	125,7	0,0	+4,5
Expenditure groups - Very low	0,91	125,4	128,9	129.5	+0,5	+3,3
Low	1,76	125,0	129,3	129,7	+0,3	+3,8
Middle	6,36		129,0	129,3	+0,2	+4,4
High	14,57			128,7	+0,1	+5,0
Very high	76,40	119,5	124,9	124,8	-0,1	+4,4
Commodities Services	64,50 35,50	121,0 118,8	123,9 128,8	123,7 129,1	-0,2 +0,2	+2,2 +8,7
PI: All items, excluding housing	87,90	119,5	123,4	123,4	0,0	+3,3
PPI: All items, excluding food	 76,29	118,2	124,3	124,0	-0,2	+4,9
boo'	23,71	129,0	131,7	132,5	+0,6	+2,7
	į į	•			j	
Expenditure groups - Very low Low	51,39 49,01	131,5 131,7	132,7 133,6	133,6 134,3	+0,7	+1,6 +2,0
Middle	43,39		133,6	134,3	+0,5	+2,0
High	33,07	129,6	132,2	133,0	+0,6	+2,6
Very high	15,82	128,1	131,2	132,0	+0,6	+3,0
Processed	13,45	127,1	133,5	133,6	+0,1	+5,1
Unprocessed	10,26	131,2	129,1	130,8	+1,3	-0,3
Grain products Meat	4,31	130,1	131,9	132,1	+0,2	+1,5
meat Fish and other seafood	6,40 0,76	132,6 127,9	130,1 130,2	130,4 132,9	+0,2	-1,7 +3,9
Milk, cheese and eggs	2,21		145,5	145,4	-0,1	+7,8
Fats and oils	0,86		134,9	136,9	+1,5	+6,3
Fruit and nuts	1,23	115,4	116,6	119,5	+2,5	+3,6
Vegetables	2,26	130,8	128,7	132,5	+3,0	+1,3
Sugar	0,57		129,0	128,3	-0,5	+6,2
Coffee, tea and cocoa Other	1,21 3,90	119,8 124,2	122,8	122,4 134,0	-0,3 +0,3	+2,2 +7,9
on-alcoholic beverages		121,9	132,7	132,1	-0,5	+8,4
lcoholic beverages	1,58	118,3	132,7 132,0	132,4	+0,3	+11,9
igarettes, cigars and tobacco	1,29	127,4	141,1	141,1	0,0	+10,8
lothing and footwear	3,67			100,0		-0,8
Clothing Footwear	2,31 1,36	100,9 100,1	101,7 96,4	102,6 95,2	+0,9	+1,7 -4,9
	į į	126,8			j	+10,8
Housing Tuel and power	12,10 3,94	116,2	140,7 124,1	140,5 124,2	-0,1 +0,1	+6,9
urniture and equipment	2,86	115,5	117,8	117,8	0,0	+2,0
Furniture	1,08	116,7	121,9	121,9	0,0	+4,5
Appliances	0,90	120,7	121,4	121,3	-0,1	+0,5
Other household equipment and textiles	0,88	108,5	109,1	109,1	0,0	+0,6
Tousehold operation	 5,45	113,2	118,9	121,8	+2,4	+7,6
Household consumables	1,42	121,8	125,6	126,9	+1,0	+4,2
Domestic workers	3,93	110,0	116,3	119,9	+3,1	+9,0
Other household services	0,10	107,8	110,6	110,8	+0,2	+2,8
edical care and health expenses	8,07	127,9	138,0	138,0	0,0	+7,9
ransport Vehicles	16,75 6,72	118,2 118,6	119,3 119,6	117,2 119,3	-1,8 -0,3	-0,8 +0,6
Running cost	7,96	122,3	123,3	119,3	-0,3	+0,6 -2,5
Public and hired transport	2,07	106,3	107,4	107,5	+0,1	+1,1
Communication	3,36	111,0	121,8	121,8	0,0	+9,7
Recreation and entertainment	3,73	107,2	101,1	101,1	0,0	-5,7
Reading matter	0,43	117,8	123,9	124,2	+0,2	+5,4
Education	3,93	121,3	132,8	132,8	0,0	+9,5
Personal care Other	4,14 3,75	121,0 108,3	125,3 106,1	125,8 104,9	+0,4	+4,0 -3,1

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

			Indices (2000=100)		Percentage change between		
Group/Product	Weights 	Oct 2002	 Sep 2003	 Oct 2003	Sep 2003 and Oct 2003	 Oct 2002 and Oct 2003	
CPI: All items	100,00	120,3	125,6	125,6	0,0	+4,4	
Expenditure groups - Very low Low	1,39 2,26	126,3 124,8	128,9	130,2 129,3	+0,5	+3,1 +3,6	
Middle High	8,11 16,96	123,3 122,0	128,0 127,5	128,4 127,7	+0,3	+4,1 +4,7	
Very high	71,28	119,2	124,6	124,5	-0,1	+4,4	
Commodities Services	 66,24 33,76	121,5 118,0	•	124,4 127,8	-0,1 +0,2	+2,4 +8,3	
CPI: All items, excluding housing	88,43	119,5	123,5	123,5	0,0	+3,3	
CPI: All items, excluding food	74,34	117,6	123,7	123,5	-0,2	+5,0	
Food	25,66	130,2	132,6	133,3	+0,5	+2,4	
Expenditure groups - Very low	51,24	132,3	132,7	133,6	+0,7	+1,0	
Low	49,72	131,9	133,3	134,0	+0,5	+1,6	
Middle	43,93	131,7	133,6	134,2	+0,4	+1,9	
High	33,68	131,0 129,1	133,2 132,0	133,9	+0,5	+2,2	
Very high	16,69				+0,6	+2,9	
Processed Unprocessed	14,26 11,40	127,5 133,3	134,1 130,6	134,2 132,2	+0,1	+5,3 -0,8	
Grain products	4,84	131,3	132,9	133,0	+0,1	+1,3	
Meat	6,95	134,3	130,9	131,4	+0,4	-2,2	
Fish and other seafood Milk, cheese and eggs	0,78 2,34	133,0 134,1	135,1 144,7	137,3 144,7	+1,6	+3,2 +7,9	
Fats and oils	0,93	128,4	134,3	135,8	+1,1	+5,8	
Fruit and nuts	1,26	117,8	120,7	122,7	+1,7	+4,2	
Vegetables	2,43		129,2	133,1	+3,0	+0,3	
Sugar Coffee, tea and cocoa	0,69 1,27	121,7 120,2	131,6 122,5	130,8	-0,6 -0,2	+7,5 +1,7	
Other	4,17	126,6	136,1	122,3 136,5	+0,3	+7,8	
Non-alcoholic beverages Alcoholic beverages	1,26 1,70	120,7 117,5	130,9 131,3	130,5 131,5	-0,3 +0,2	+8,1 +11,9	
Cigarettes, cigars and tobacco	1,35	129,6	143,6	143,6	0,0	+10,8	
Clothing and footwear	4,06	99,7	99,3 100,9	99,2	-0,1	-0,5	
Clothing	2,53			101,8	+0,9	+1,9	
Footwear	1,53	99,0	96,1	94,7	-1,5	-4,3	
Housing Fuel and power	11,57 4,28	125,8 116,0	138,8 124,0	138,9 124,1	+0,1	+10,4 +7,0	
Furniture and equipment	3,15	114,7	116,5	116,4	-0,1	+1,5	
Furniture	1,21	115,8	119,9	119,9	0,0	+3,5	
Appliances Other household equipment and	0,94	119,4	120,5	120,4	-0,1	+0,8	
textiles	1,00	108,3	108,0	108,0	0,0	-0,3	
Household operation Household consumables	5,22 1,50	114,8 124,4	121,5	123,5 129,2	+1,6	+7,6 +3,9	
Domestic workers	3,59	124,4	128,4 118,9	129,2	+0,6	+3,9	
Other household services	0,13	108,0	110,8	111,3	+0,5	+3,1	
Medical care and health expenses	7,70	127,5	138,1	138,1	0,0	+8,3	
Transport	15,30	116,9	118,2	116,4	-1,5	-0,4	
Vehicles Running cost	5,69	116,6	117,9	117,7	-0,2 -2,9	+0,9 -1,9	
Running cost Public and hired transport	7,32 2,29	121,2 105,2	122,5 106,1	118,9 106,1	0,0	+0,9	
Communication	3,19	111,1	122,0	122,0	0,0	+9,8	
Recreation and entertainment	3,39	106,6	101,1	101,1	0,0	-5,2	
Reading matter	0,40	117,1	122,7	122,9	+0,2	+5,0 +9.7	
Education Personal care	3,77 4,37	121,8 121,5	132,4 127,2	132,4 127,6	0,0	+8,7 +5,0	
Other	3,63	108,0	106,0	104,8	-1,1	-3,0	

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

Indices Percentage change (2000=100) between |Weights|-----Group/Product Sep 2003 Oct 2002 Oct | Sep | Oct | and | and | 2002 | 2003 | 2003 | Oct 2003 | Oct 2003 | Oct 2003 .-----100,00 | 119,9 122,5 121,7 -0,7 +1,5 CPI: All items 125,0 128,5 124,8 128,7 122,9 125,3 121,5 126,2 118,8 121,0 129,0 +0,4 129,1 +0,3 125,5 +0,2 126,1 -0,1 119,9 -0,9 Expenditure groups - Very low 0.91 İ +3.2 LOW 1,76 +3,4 Middle 6,36 +2,1 14,57 Hiah Very high 76,40 +0,9 123,6 -0,2 119,1 -1,3 121,0 123,9 120,7 Commodities Services 42,86 +0,8 CPI: All items, excluding housing 77.86 İ 119.0 123,1 123,1 0.0 +3.4 CPI: All items, excluding food 80,08 117,8 120,4 119,2 -1,0 +1,2 128,4 132,6 133,3 24.63 İ +0.5 +3.8 Food, beverages and tobacco 132,7 Food excluding coffee, tea and cocoa 19,92 129,1 131,9 +0,6 +2,8 132,1 130,4 132,8 145,3 136,8 119,4 132,5 128,3 134,0 +0,2 130,1 131,9 3,81 +1,5 Grain products +0,3 +2,0 -0,1 +1,5 +2,4 +2,9 -0,5 +0,3 Meat 5,66 132,6 130,0 -1,7 +3,9 Fish and other seafood 0,69 127,8 130,2 Milk, cheese and eggs 1,96 134.8 145.4 Fats and oils 0,76 128,7 134,8 +6,3 Fruit and nuts 1,09 115,4 116,6 +3,5 Vegetables 2,00 130.8 128.8 +1,3 Sugar 0,50 120.8 129.0 +6.2 Other 124,2 +7,9 3,45 133,6 129,6 122,4 132,1 132,4 -0,1 -0,3 -0,5 +0,3 119,7 119,8 121,9 118,3 119.7 129.7 Beverages 3.57 129,7 122,8 132,7 132,0 +8.3 Coffee, tea and cocoa 1,07 +2.2 Non-alcoholic beverages +8.4 Alcoholic beverages 1,40 +11,9 Tobacco 1,14 127,4 141,1 141,1 0,0 +10,8 Cigarettes, cigars and tobacco +0,1 100,0 100,9 100,8 100,1 100,1 +0,1 102,5 +0,9 95,2 -1,2 Clothing and footwear 3.25 -0.8 102,5 Clothing 2,04 +1.7 100,1 96,4 -4,9 120.8 Housing, water, electricity, gas and other fuels 25,63 121,4 120,8 121,8 120,2 116,2 124,0 121.4 -3.0Housing 22.14 -4.3Fuel and power +6,9 Furnishings, household equipment and routine 118,9 117,8 121,9 120,8 117,8 121,9 121,3 +1,6 0,0 0,0 -0.1 maintenance of the house 7,35 114.7 +5,3 Furniture and equipment 2,53 115,5 +2,0 Furniture 0,95 116,7 +4.5 Appliances 0,80 120,7 +0,5 Other household equipment and 109,1 121,7 127,0 119,9 110,9 textiles 0.78 108.5 109.1 0.0 +0.6 +2,5 +1,0 +3,1 +0,2 Household operation 4.82 113,1 118,7 +7,6 Household consumables 1,25 121,9 125,7 +4,2 Domestic workers 110,0 116,3 +9.0 Other household services 0.09 107.9 110,7 +2,8 138,0 +7,9 Health (Medical care and health expenses) 7,15 İ 127,9 138,0 0,0 117,2 119,1 119,3 114,0 -0.8 14.84 118.2 119.2 -1.7 Transport 119,5 123,3 Vehicles 5,95 118,4 -0,3 +0,6 7,05 122,2 -3,2 Running cost -2,4124,9 120,5 -8,7 1,84 Public and hired transport 106,3 107,4 +0,1 +1,1 106,5 101,1 106,6 101,1 124,1 Leisure, entertainment and culture 109,8 +0,1 -2,9 Recreation and entertainment 107,2 0,0 +0,2 Reading matter 0,39 117.7 +5,4 Education 3,48 121,2 132,8 132,8 0,0 +9,6 9,97 112,1 114.7 Miscellaneous goods and services -0, 2 0, 0 +0, 3 +2.1 2.98 111.0 121,8 Communication +9.7 Personal care 3,6, 121,0 125,3 +3,9 108,4 106,2 Other -3,1

¹⁾ COICOP = Classification of individual consumption by purpose

Table 20 - Consumer Price Index group and product indices according to COICOP¹⁾ and percentage change for the historical metropolitan and other urban areas

Indices Percentage change (2000=100) between Group/Product |Weights|----ļ | Sep 2003 Oct | and 2003 | Oct 2003 Oct 2002 Oct and Sep | Sep | 2003 2002 Oct 2003 ._____ 122,1 -0.6 CPI: All items 119,8 122,8 +1.9 100.00 1,39 125,8 129,1 129,7 +0,5 +3,1 Expenditure groups - Very low LOW 2,26 124,3 128,1 128,6 +0,4 +3,5 Middle 127,0 8.11 122,7 127,3 +0.2 +3,7 High 16,96 121,0 125,6 125,6 0,0 +3,8 Very high 71,28 121,3 -0,8 118.8 120.3 +1,3 Commodities 59.42 121.4 124.7 124.6 -0.1 +2.6 Services 40,58 118,1 120,6 119,0 -1,3 +0,8 CPI: All items, excluding housing 79,30 119.4 123.6 123.6 0.0 +3.5 CPI: All items, excluding food 78,12 117,4 120,4 119,3 -0,9 +1,6 +3,5 26.88 129.3 133,1 133.8 Food, beverages and tobacco +0.5 Food excluding coffee, tea and cocoa 21,88 130,3 132,7 133,5 +0,6 +2,5 131.3 132.9 133.0 +0.1 4.34 +1.3 Grain products 130,9 131,4 6,23 134,2 +0,4 -2,1 Meat Fish and other seafood 0,70 137,3 +1,6 133,0 135,1 +3,2 Milk, cheese and eggs 2,10 134.1 144.6 144,6 0.0 +7,8 +1.1 Fats and oils 0.84 128.4 134.3 135.8 +5.8 120,7 Fruit and nuts 117,9 122,8 1,13 +1,7 +4,2 Vegetables 127,9 +3,0 131,5 Sugar 0.62 121.7 131.5 130.8 -0.5 +7.5 Other 3,74 126,6 136.1 136.5 +0.3 +7.8 Beverages 3,79 119,1 128,6 128,5 -0,1 +7,9 Coffee, tea and cocoa 1,14 120,2 122,5 122,3 -0,2 +1,7 Non-alcoholic beverages 1,13 120.7 130.9 130.5 -0.3 +8.1 Alcoholic beverages 1,52 117.5 131.3 131.5 +0,2 +11,9 Tobacco 129,6 143,5 143,6 +10,8 1.21 +0.1 Cigarettes, cigars and tobacco 99,7 Clothing and footwear 3,64 99,3 99,2 -0,1 -0,5 Clothing 2,27 99.9 100,9 101,8 +0.9 +1,9 96,1 94,7 1.37 99.0 -1.5 -4.3 Footwear Housing, water, electricity, gas and other fuels 24,54 121,4 120,9 118,1 -2.7 Housing 20.70 122.3 120.4 117.1 -2.7-4.3Fuel and power 124,0 124,1 +0,1 +7,0 3,84 116.0 Furnishings, household equipment and routine maintenance of the house 7.50 115.4 119.8 121.1 +1.1 +4.9 Furniture and equipment 2,82 114,7 116,5 116,4 -0,1 +1,5 Furniture 1,08 115.8 119,9 119.9 0.0 +3,5 Appliances 0,84 119,4 120,5 120,4 -0,1 +0,8 Other household equipment and textiles 0,90 108,3 108,0 108,0 0,0 -0.3 Household operation 4,68 114,8 121,5 123,5 +1,6 +7,6 Household consumables 1,34 124,4 128,4 129.2 +0,6 +3.9 Domestic workers 111,0 118,9 121,5 +2,2 +9,5 3,22 Other household services 0.12 108,0 110,8 111,2 +0,4 +3,0 +8,3 Health (Medical care and health expenses) 6,90 127.5 138,1 138.1 0.0 13,72 116,9 118,1 116,3 -1,5 -0,5 Transport Vehicles 5,11 116,5 117,9 117,7 -0,2 +1,0 Running cost 6,56 121,2 122,5 118.9 -2.9 -1,9 -7,9 Petrol 121,9 118,0 -4,8 112,3 Public and hired transport 2,05 105.2 106,1 106.1 0.0 +0,9 106.4 0.0 Leisure, entertainment and culture 3.40 109.3 106.4 -2..7Recreation and entertainment 3,04 106,6 101,1 101,1 0,0 -5,2 Reading matter 0,36 117,1 122,8 123,0 +0,2 +5,0 121,8 132,4 132,4 Education 3,38 0.0 +8.7 Miscellaneous goods and services 10.04 112.2 115,3 115,1 -0.2 +2,6 Communication 2,86 111,2 122,1 122.1 0.0 +9.8 127,2 3,92 121,5 127,6 +0.3 Personal care +5.0 3,26 108,0 106,0 104,8 -3,0 -1,1

¹⁾ COICOP = Classification of individual consumption by purpose

-0.6

+1.9

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

Indices Percentage change (2000=100) between Urban area |Weights|-----Sep 2003 | Oct 2002 Oct Sep Oct and and 2002 2003 2003 Oct 2003 | Oct 2003 123,8 123,1 -0,6 123,0 122,1 -0,7 124,7 124,4 -0,2 -0,6 -0,7 Western Cape 17,62 121.0 +1.7 Cape Peninsula 11.88 120.7 +1.2 Other urban areas 5,74 121,0 +2,8 2,28 | 121,8 122,1 1,10 | 120,0 2,02 | -0,6 124,3 123,7 124,0 125,3 123,6 122,8 123,1 124,8 Eastern Cape +1.5 Port Elizabeth/Uitenhage -0.7 +0,6 East London -0,7 +1,8 -0,4 Other urban areas 121,6 125,1 122,8 126,3 121,6 125,1 124,6 | 125,6 | 124,7 | 1,01 -0,4 -0,6 -0,3 +2,5 Northern Cape 1,01 | 0,41 | 0 60 | 0,41 Kimberley +2,3 Other urban areas +2,5 116,1 118,7 117,1 119,2 117,1 120,2 114,7 117,5 118,4 118,7 119,8 117,4 Free State 4,79 -0,3 +2,0 1,59 | 1,22 | 1,98 -0,4 -0,3 -0,1 Bloemfontein +1,4 Free State Goldfields +2,3 Other urban areas +2.4 121,0 123,4 120,5 123,4 122,6 124,3 121,1 123,1 122,8 122,7 124,1 122,6 -0,5 KwaZulu-Natal 20,47 -0,6 -0,2 -0,4 Durban/Pinetown 7,19 +1,8 1,34 11,94 Pietermaritzburg +1.2 Other urban areas +1,2 120.2 122,7 North West 2.61 123,9 -1,0 +2.1 121,5 120,0 122,0 122,6 122,2 120,8 122,8 122,8 Gauteng 42,98 119,1 -0,6 +2,0 Pretoria/Centurion/Akasia 11,13 119,3 -0,7 +0,6 Witwatersrand 24,53 119.3 -0.7 +2.3 Other urban areas 7,32 119,5 -0,2 +2,6 124,2 122,6 124,9 123, ₋ 124,3 126,0 Mpumalanga 3,63 121.0 -1,0 +2.6 Nelspruit/Witbank 1,12 | 2,51 | 123,5 -1,4 -0,7 120,1 Other urban areas -0,9 +4,0 120,8 1,49 +0.6 Limpopo Province 119.0 119.7 -0,9 0,21 | Polokwane (Pietersburg) 116,4 116.2 114.7 -1.3-1.5Other urban areas 122,2 121,5 -0,6 +2,4 118,7 CPI for the historical metropolitan and other urban areas|100,00 |

CPI for the historical 64,02 | 119,9 122.5 121.7 metropolitan areas -0.7 +1.5

122.8

122.1

119.8

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

			Indices (2000=100)		 Percenta between	ge change
Urban area 	Weights 	Oct 2002	 Sep 2003	Oct 2003		Oct 2002 and Oct 2003
Western Cape	17,88	127,8	131,5	132,3	+0,6	+3,5
Cape Peninsula	10,85	128,2	132,7	133,5	+0,6	+4,1
Other urban areas	7,03	129,0	131,5	132,4	+0,7	+2,6
 Eastern Cape	5,56	135,5	137,5	138,2	+0,5	+2,0
Port Elizabeth/Uitenhage	2,28	136,2	136,1	137,3	+0,9	+0,8
East London	0,76	132,8	136,7	137,1	+0,3	+3,2
Other urban areas	2,52	136,8	140,2	140,5	+0,2	+2,7
 Northern Cape	1,21	128,5	130,7	132,2	+1,1	+2,9
Kimberley	0,43	130,5	133,1	134,9	+1,4	+3,4
Other urban areas	0,78	129,2	131,2	132,6	+1,1	+2,6
 Free State	4,92	128,4	130,3	131,5	+0,9	+2,4
Bloemfontein	1,51	135,8	138,5	140,2	+1,2	+3,2
Free State Goldfields	1,05	128,0	129,5	130,7	+0,9	+2,1
Other urban areas	2,36	126,3	127,8	128,7	+0,7	+1,9
 KwaZulu-Natal		137,4	137,7	138,8	+0,8	+1,0
Durban/Pinetown	6,78	136,1	138,1	139,4	+0,9	+2,4
Pietermaritzburg	1,68	135,9	136,1	138,2	+1,5	+1,7
Other urban areas	12,89	138,1	137,6	138,4	+0,6	+0,2
North West	2,72	132,0	135,5	135,6	+0,1	+2,7
 Gauteng	41,19	127,5	129,9	130,6	+0,5	+2,4
Pretoria/Centurion/Akasia	8,22	127,6	128,6	129,6	+0,8	+1,6
Witwatersrand	23,82	126,5	129,7	130,2	+0,4	+2,9
Other urban areas	9,15	130,3	131,9	133,0	+0,8	+2,1
 Mpumalanga	3,65	132,4	139,1	138,5	-0,4	+4,6
Nelspruit/Witbank	0,90	133,7	135,2	135,3	+0,1	+1,2
Other urban areas	2,75	132,1	140,5	139,8	-0,5	+5,8
 Limpopo Province	1,52	133,3	137,4	137,7	+0,2	+3,3
Polokwane (Pietersburg)	0,13	135,6	140,2	140,7	+0,4	+3,8
Other urban areas	1,39	132,7	136,5	136,7	+0,1	+3,0
 CPI for the historical						
metropolitan and other urban areas	100,00	130,1	132,5	133,3	+0,6	+2,5
 CPI for the historical metropolitan areas	58,44	128,9	131,7	132,5	+0,6	+2,8

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

Indices Percentage change (2000=100) between Urban area Sep 2003 | Oct 2002 Oct Sep Oct and and 2002 2003 2003 Oct 2003 | Oct 2003 123,9 123,9 0,0 123,9 123,9 0,0 124,5 124,6 +0,1 Western Cape 17,28 119.0 +4.1 Cape Peninsula i 11.27 i 118.8 +4.3 Other urban areas 6,01 119,4 +4,4 | 121,2 | 2,22 | 122,2 | 1,60 | 119,0 | 2,08 | 12 125,9 +0,1 126,7 0,0 125,4 0,0 126,8 +0,1 125,8 126,7 125,4 126,7 Eastern Cape +3,9 Port Elizabeth/Uitenhage +3.7 East London +5,4 Other urban areas +3,9 119,8 124,4 124,5 120,4 126,1 126,3 120,3 124,6 124,8 0,73 | 0,11 | 0,62 | +0,1 +0,2 +0,2 +3,9 Northern Cape Kimberley +4,9 Other urban areas +3,7 114,6 118,0 116,2 119,9 116,2 119,8 113,0 116,5 118,3 120,4 119,8 116,9 4,87 Free State +0,3 +3.2 1,46 | | 1,26 | | 2,15 | +0,4 Bloemfontein +3,6 Free State Goldfields +3,1 Other urban areas +3.5 125,6 124,9 125,9 125,8 121,4 125,6 120,0 125,0 122,2 125,4 122,1 125,9 0,0 KwaZulu-Natal 20,43 +3,5 7,09 | 1,36 | 11,98 | -0,1 +0,4 -0,1 Durban/Pinetown +4,1 Pietermaritzburg +3.0 Other urban areas +3,0 126,3 North West 2.59 121,2 126,8 -0,4 +4,2 122,3 122,3 121,0 120,8 122,7 122,8 123,0 123,3 Gauteng 42,97 118,7 0,0 +3,0 Pretoria/Centurion/Akasia 11,28 118,0 -0,2 +2,4 Witwatersrand 24,08 118.7 +0.1 +3.5 Other urban areas 7,61 119,2 +0,2 +3,4 127,4 126,0 128,2 128,0 126,3 128,8 Mpumalanga 3,69 120,9 -0.5 +5,4 Nelspruit/Witbank 1,04 | 2,65 | 121,3 -0,2 +3,9 120,8 Other urban areas -0,5 +6,1 120,1 1,54 | 0,17 | 1,37 Limpopo Province 116.5 119.9 -0,2 +2.9 Polokwane (Pietersburg) 115.3 118.8 118.5 -0.3+2.8 Other urban areas -0,2 120,8 121,0 116,5 +3,7 CPI for the historical metropolitan and other urban areas|100,00 | 0.0 119.4 123.6 123.6 +3.5 CPI for the historical

|metropolitan areas | 62,96 | 119,0 | 123,1 | 123,1 | 0,0 | +3,4 |

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

Indices Percentage change (2000=100) between Urban area | Sep 2003 | Oct 2002 Oct Sep Oct and and 2002 2003 2003 Oct 2003 | Oct 2003
 119,5
 122,0
 120,8
 -1,0

 119,1
 121,0
 119,7
 -1,1

 118,9
 122,8
 122,1
 -0,6
 Western Cape 17,46 +1.1 Cape Peninsula 12.13 +0.5 Other urban areas 5,33 118,9 +2,7 118,1 120,6 119,4 118,6 120,7 119,1 119,1 122,0 120,9 117,9 120,8 120,0 119,4 123,3 122,0 119,6 123,4 121,9 119,1 123,1 122,0 119,4 119,1 120,9 120,0 -1,0 -1,3 5,31 | 118,1 2,26 | 118,6 1,19 | 119,1 1,86 | 117,9 Eastern Cape +1.1 Port Elizabeth/Uitenhage +0,4 East London -0,9 -0,7 +1,5 Other urban areas 1,48 -1,1 -1,2 -0,9 +2,2 Northern Cape 1,48 | 0,94 | 0.54 | 0,94 Kimberley +1,9 Other urban areas +2,4 112,2 115,1 112,9 114,7 114,2 117,7 111,1 114,1 114,3 113,7 116,9 113,6 Free State 4,72 -0,7 +1.9 1,60 | 1,26 | 1,86 -0,9 -0,7 -0,4 Bloemfontein +0,7 Free State Goldfields +2,4 Other urban areas +2.3 117,0 119,9 117,1 120,3 118,5 120,7 116,7 119,4 118,8 119,0 119,7 118,2 -0,9 -1,1 -0,8 -1,0 KwaZulu-Natal 20,10 1,27 | 1,23 | 11,60 | Durban/Pinetown +1,6 Pietermaritzburg +1.0 Other urban areas +1,3 119,4 117.3 North West 2.56 121.0 -1,3 +1,8 119,3 118,1 120,3 120,5 120,4 119,2 121,4 121,2 Gauteng 43,29 117,2 -0,9 +1,8 11,93 | 24,62 | Pretoria/Centurion/Akasia 117,6 -0,9 +0,4 Witwatersrand 24,62 117.7 -0.9 +2.2 Other urban areas 6,74 117,5 -0,6 +2,6 121,7 120,3 122,0 119,9 122,1 120,9 Mpumalanga 3,61 118.0 -1,2 +1.9 Nelspruit/Witbank 1,18 | 2,43 | 121,3 116,9 -1,7 -1,2 Other urban areas -1,0 +3,4 116,9 1,47 Limpopo Province 115.5 115,3 -1.4 -0.2 0,23 | -1,8 -0,8 Polokwane (Pietersburg) 112.9 111.7 109.7 -2.8 Other urban areas 117,8 118,8 +2,2 115,3 CPI for the historical metropolitan and other urban areas|100,00 | -0.9 117.4 120.4 119.3 +1.6 CPI for the historical

|metropolitan areas | 65,85 | 117,8 | 120,4 | 119,2 | -1,0 | +1,2 |

Table 25 - Seasonally adjusted group and product indices of the Consumer Price Index (Historical metropolitan areas)

Base : CPI 2000 = 100

Base : CF1 2000 = 100							
Group/Product	 Weights	May 2003	Jun 2003	Jul 2003	 Aug 2003	 Sep 2003	 Oct 2003
CPI: All items	100,00	121,2	121,2	121,0	121,9	121,4	120,9
Expenditure groups - Very low Low Middle High Very high	0,91 1,76 6,36 14,57 76,40	127,3 126,9 125,4 123,7 120,1	127,3 126,9 125,2 123,5 120,0	126,8 127,0 125,9 124,3 119,6	127,9 128,0 126,7 125,1 120,5	127,9 128,0 126,6 125,4 120,0	128,3 128,2 126,8 125,3 119,3
CPI: All items excluding food	79,01	118,8	118,9	118,5	119,5	119,0	118,2
Commodities	57,14	122,0	121,3	122,2	123,3	123,5	123,3
Food	20,99	131,8	131,9	132,2	132,9	132,7	132,7
Food and non-alcoholic beverages Alcoholic beverages, cigarettes, cigars and tobacco	22,09 2,54	131,7 130,9	131,8 131,5	132,2 135,2	132,9 136,0	132,7 135,6	132,7 136,3
Clothing and footwear Furniture and equipment Vehicles Other transport commodities Other commodities	3,25 2,53 5,95 3,51 17,27	98,9 115,1 119,3 116,2 124,8	98,9 115,6 118,8 108,5 124,5	99,0 115,9 118,9 115,2 124,4	99,1 116,0 119,1 121,1 125,6	98,8 116,3 119,2 121,6 126,7	99,3 116,8 119,0 115,5 127,6
Services	42,86	120,4	120,6	119,4	120,0	118,8	118,1
Housing and domestic workers Transport Other services	25,62 3,38 13,86	121,5 111,9 120,9	122,8 112,2 119,7	118,3 112,5 122,4	119,4 112,7 122,4	116,5 113,0 123,0	114,1 113,4 124,2
CPI: All items excluding VAT	100,00	121,2	121,2	121,0	121,9	121,4	120,9
CPIX	100,00	122,5	122,1	123,1	124,0	124,7	124,9

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

Base : CPI 2000 = 100

		: CP1 200					
Group/Product	 Weights	May 2003	Jun 2003	Jul 2003	 Aug 2003	 Sep 2003	 Oct 2003
CPI: All items	100,00	121,8	121,7	121,6	122,3	122,0	121,5
Expenditure groups - Very low Low Middle High Very high	1,39 2,26 8,11 16,96 71,28	128,6 126,8 125,4 123,5 120,5	128,3 126,9 125,4 123,3 120,4	128,4 126,9 125,7 124,1 120,1	128,7 127,6 126,3 124,6 120,9	128,7 127,7 126,4 124,8 120,3	129,0 127,9 126,8 125,0 119,4
CPI: All items excluding food	76,98	118,9	119,1	118,7	119,4	119,2	118,6
Commodities	59,42	122,9	122,0	123,2	123,9	124,2	124,0
Food	23,02	133,3	133,2	133,6	133,8	133,6	133,5
 Food and non-alcoholic beverages Alcoholic beverages, cigarettes, cigars and tobacco	24,15 2,73	133,1 131,7	133,0 132,4	133,5 136,1	133,6 136,9	133,4 136,6	133,4 137,4
Clothing and footwear Furniture and equipment Vehicles	3,64 2,82 5,11	98,2 114,9 117,4	98,4 114,5 117,2	98,4 114,7 117,2	98,6 115,0 117,3	98,4 115,2 117,5	98,6 115,8 117,2
Other transport commodities Other commodities	5,14	115,2 123,1	108,4	114,0 123,5	119,5 123,8	119,9 125,1	114,9 125,8
Services	40,58	120,5	121,5	119,3	120,1	118,9	118,0
Housing and domestic workers Transport Other services	23,92 3,47 13,19	121,1 111,6 121,4	121,7 111,6 123,4	118,4 111,8 122,7		116,5 112,2 124,9	114,5 112,6 125,8
CPI: All items excluding VAT	100,00	121,8	121,7	121,6	122,3	122,0	121,5
CPIX	100,00	122,7	122,3	123,4	124,1	124,7	124,8

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

			Indices (2000=100)		Percent between	age change
Urban area	Weights -	Oct 2002	 Sep 2003	Oct 2003	Sep 2003 and Oct 2003	Oct 2002 and Oct 2003
Western Cape	20,00	121,5	126.2	126,2	0,0	+3.9
Cape Peninsula	12,55	121,1	125,8	125,7	-0,1	+3,8
Other urban areas	7,45	122,0	126,8	126,9	+0,1	+4,0
Other urban areas	/,45	122,0	120,0	120,9	+0,1	+4,0
Eastern Cape	6,08	123,9	127,0	126,7	-0,2	+2,3
Port Elizabeth/Uitenhage	3,06	125,8	126,9	126,0	-0.7	+0.2
East London	0,62	120,8	127,9	128,2	+0,2	+6,1
Other urban areas	2,40	123,3	127,9	128,1	+0,2	+3,9
Jener urban areas	2,30	123,3	141,7	120,1	10,2	r3,3
Northern Cape	1,57	122,8	128,6	128,9	+0,2	+5,0
Kimberley	0,69	121,2	128,0	128,3	+0,2	+5,9
Other urban areas	0,88	123,7	128,8	129,2	+0,3	+4,4
11111 412411 41645	","	120,.	120,0	227,2		, .
Free State	5,49	117,0	120,1	120,2	+0,1	+2,7
Bloemfontein	1,83	114,0	117,0	117,2	+0,2	+2,8
Free State Goldfields	0,86	118,9	122,4	122,4	0,0	+2.9
Other urban areas	2,80	116,5	119,5	119,7	+0,2	+2,7
	į į				j	
KwaZulu-Natal	22,75	121,7	126,0	126,1	+0,1	+3,6
Durban/Pinetown	7,03	120,3	126,1	126,2	+0,1	+4,9
Pietermaritzburg	1,40	121,7	125,6	126,9	+1,0	+4,3
Other urban areas	14,32	122,4	125,9	126,0	+0,1	+2,9
North West	2,40	121,2	126,9	126,6	-0,2	+4,5
Court on a	37.60	100 1	104.4	104.2	0.1	. 2 . 5
Gauteng	37,69	120,1	124,4 122.3	124,3	-0,1	+3,5
Pretoria/Centurion/Akasia	11,35	118,3	, -	122,4	+0,1	+3,5
Witwatersrand	16,11	120,7	125,4	125,0	-0,3	+3,6
Other urban areas	10,23	120,7	124,8	124,9	+0,1	+3,5
Mpumalanga	2,41	122,7	129,6	128,8	-0,6	+5,0
Nelspruit/Witbank	0,26	126,2	130,0	130,3	+0,2	+3,2
Other urban areas	2,15	122,3	129,5	128,6	-0,7	+5,2
TITE WERMING WE CAN	2,15	122,3	127,5	220,0		. 5 , 2
Limpopo Province	1,61	119,5	123,3	123,0	-0,2	+2,9
Polokwane (Pietersburg)	0,26	123,4	127,8	128,1	+0,2	+3,8
Other urban areas	1,35	119,2	122,9	122,5	-0,3	+2,8
	- -				-	
PI for the historical etropolitan and other urban area	g 100 00	120,9	125,3	125,3	0,0	+3,6
and other urball area	_	±4U,7			-	+3,0
PI for the historical						
etropolitan areas	56,03	120,4	124,9	124,8	-0,1	+3,7

EXPLANATORY NOTES

1

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.
- The Consumer Price Index (CPI) is a series of figures (numbers) showing how the average price level of all those goods and services (basket of goods and services) bought by a typical consumer or household changes over time. The inflation rate is the annual percentage change in the CPI.

Survey of Income and Expenditure of Households (IES)

- Stats SA conducts a Survey of Income and Expenditure of Households every five years. This survey is conducted by enumerators visiting a number of households throughout South Africa to obtain details on income and expenditure of households. The information obtained through this survey is weighted according to the Population Census figures in order to represent all households in South Africa.
- Every five years the results from this survey are used to identify the goods and services bought by a typical consumer or household and which should be included in the basket of goods and services used to monitor price changes.
- Furthermore, every five years the results from the Survey of Income and Expenditure of Households are used to determine the weights of the products/groups (indicator products) in the basket. The weights of a specific product/group is calculated by dividing the total amount spent by all households in South Africa on the specific product/group by the total amount spent on all goods and services by all households.

2000 Survey of Income and Expenditure of Households

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- Stats SA conducted the five-yearly Survey of Income and Expenditure of Households in October 2000 covering a sample of 30 000 households. The information obtained through this survey was weighted according to the 1996 Population Census figures in order to represent all households in South Africa.
- The 2000 Survey of Income and Expenditure of Households collected information regarding approximately 1 000 different goods and services groups. Stats SA made a further breakdown of these groups using supplementary sources. This process led to a list of approximately 1 500 groups on which the current calculation of the CPI is based.
- Based on the above-mentioned information for 2000 (cf. paragraphs 7 and 8), the new weight for a specific product/group was calculated by dividing total expenditure by all households in South Africa on the specific product/group by total expenditure on all goods and services by all households in South Africa. Stats SA implemented the new weights, i.e. the 2000 weights based on the 2000 Survey of Income and Expenditure of Households, as from the January 2002 CPI publication.

Basket of goods 10 and services

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

These goods and services are grouped according to the International Trade Classification into 17 main groups -

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

Weighting basis

The CPI is a fixed weights index, which implies that the weight of each product/group stays the same for the five year period until the results of the next Survey of Income and Expenditure of Households become available.

Expenditure groups

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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 – $\frac{1}{2}$

- very low expenditure group up to R8 070;
- low expenditure group R8 071 up to R12 263;
- middle expenditure group R12 264 up to R24 365;
- high expenditure group R24 366 up to R55 159; and
- very high expenditure group R55 160 and more.

Scope of the CPI survey

The Survey of Retail Prices is a retail trade and service outlets sample survey covering prices of selected consumer goods and services sold by these retail trade and service outlets to consumers in the 12 metropolitan and 40 other urban areas in the nine provinces. The results of the survey are used to compile the Consumer Price Index, an economic indicator.

Prices of goods and services included in the CPI are collected 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.

18 Prices of items/products collected quarterly:

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

19 Prices of items/products collected annually:

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

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

Items/products	Months 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 licenses.	January, July and October
Domestic workers	February, September

Classification

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

Statistical unit

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

Survey methodology and design

- Different phases of sampling takes place. Firstly, a sample of goods and services, based on the information collected through the Survey of Income and Expenditure of Households, is designed and selected. An indicator product is selected purposively within each product group. To be selected, a product should constitute a large quantity, at least 0,01% of total expenditure. Furthermore, it must be possible to obtain price quotations for the relevant product during the whole year. The sample of indicator products is revised every five years at which stage the weights of the indicator products/groups are also revised.
- Secondly, a geographical sample for price collection is designed and selected. Currently 12 major metropolitan areas, covering all nine provinces, are included in the geographical sample for price collection. The "other urban areas" are covered by nine provincial samples of four to five urban areas each, depending on the population size of the area. Therefore, a total of 40 "other urban areas" is sampled.
- Thirdly, for each of the 52 sample areas, a retail trade and service outlet sampling frame is constructed, based on available data sources, mainly the business register of Stats SA, telephone directories and lists obtained from the head offices of chain stores. The sample is purposively distributed geographically within areas. Specific retail trade and service outlets are selected randomly within each area. Prices are collected from department stores, as well as specialist shops. The sample of outlets is revised every five years when the weights are revised.
- Currently, an average of 110 000 price quotations are collected each month from approximately 2 200 outlets by means of 6 700 questionnaires. The indices are based on retail trade and service prices.

Pricing basis

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

Processing of price information

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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 telephonic 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, 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 the latest seasonally adjusted indices will be published every month. This 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

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 availablenil or not applicable

revised since previous publication

avg average

TECHNICAL NOTES

Response rate

- The response rate for the CPI for the historical metropolitan areas for October 2003
- The response rate for the CPI for the historical metropolitan and other urban areas for October 2003 was 90%.

GLOSSARY

Annual inflation rate

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

Annual percentage change

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

Average annual inflation rate

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

Average annual percentage change

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

CPI excluding Interest rates on mortgage bonds (CPIX)

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

In other countries in the world such as New Zealand, Sweden and Australia, which adopted inflation targeting, different measures of the inflation rate have been derived and applied such as the Core index, and the CPI excluding interest rates on mortgage bonds. Stats SA has accordingly calculated these measures and the CPI excluding interest rates on mortgage bonds CPIX, is included in this release (cf. table 1 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 12 metropolitan areas used in the compilation of the CPI -

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

Initially 12 metropolitan areas were selected, based on the population figures as well as the size of the economical activity in these areas. However, when the 9 provinces were introduced, the Vaal Triangle metropolitan area was included partially (van der Biljpark and Vereeniging) in the other urban areas of Gauteng and partially (Sasolburg) in the other urban areas of the Free State. Due to the fact that there were no metropolitan areas in the Limpopo Province and Mpumalnaga, the main urban areas and Nelspruit/Witbank in each of these provinces were selected as metropolitan areas. As from 2002 the Klerksdorp/Orkney/Stilfontein area is included under other urban areas as the coverage in the IES was not comprehensive enough to determine a weighting structure for this area.

Monthly percentage change

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

Weights

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

FOR MORE INFORMATION

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

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