

Statistical Release P0141.1

Prices : Consumer Price Index

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INFLATION RATE INCREASES SUBSTANTIALLY

The official inflation rate, i.e. the annual rate of change in the Consumer Price Index, is 8,4% at September 1996. This is 0,9 of a percentage point higher than the corresponding annual rate of 7,5% at August 1996.

The Consumer Price Index, as well as the seasonally adjusted index, increased by 1,0% from August 1996 to September 1996.

An alternative expression of the change in the CPI is to annualise the change between the average index of the three months up to September 1996 and the average index of the previous three months. This approach should use seasonally adjusted data, yielding a 8,9% increase and 9,7% unadjusted.

MONTHLY INCREASE OF 1,0%

The contributors to the monthly increase of 1,0% are the increases in the price indices for food (+0,4 of a percentage point), cigarettes, cigars and tobacco (+0,1 of a percentage point), housing (+0,1 of a percentage point), furniture and equipment (+0,1 of a percentage point), medical care and health expenses (+0,1 of a percentage point), personal care (+0,1 of a percentage point) and all other items (+0,1 of a percentage point).

FOOD PRICES

The price index for food shows an annual rate of increase of 10,4% at September 1996. This rate is 2,5 percentage points higher than the corresponding annual rate of 7,9% at August 1996. This is the first time since June 1995 that South Africa has a double-digit food inflation.

From August 1996 to September 1996 food prices increased by 1,9%. This increase was caused by monthly increases in the prices of grain products (+2,2%), meat (+1,0%), fish and other seafood (+2,7%), milk, cheese and eggs (+1,6%), fats and oils (+0,4%), vegetables (+8,6%) and "other" food items (+1,1%). These increases were slightly counteracted by decreases in the prices of fruit and nuts (-1,7%) and sugar (-0,4%).

PRICE INDEX FOR ALL ITEMS EXCLUDING FOOD SHOWS A MONTHLY INCREASE OF 0,8%

The monthly increase of 0,8% in the index for all items excluding food is the result of monthly increases in the price indices for alcoholic beverages (+0,3%), cigarettes, cigars and tobacco (+3,9%), clothing and footwear (+0,2%), housing (+0,6%), fuel and power (+0,1%), furniture and equipment (+1,8%), household operation (+0,7%), medical care and health expenses (+1,4%), recreation and entertainment (+0,9%), reading matter (+2,7%), personal care (+2,2%) and "other" items (+1,2%). These increases were slightly counteracted by a decrease in the price index for transport (-0,1%, mainly due to a decrease of 3c/litre in the price of petrol).

INCOME GROUP INDICES

An inflation rate of 8,6% was recorded for the lower income group, 9,0% for the middle income group and 8,1% for the higher income group.

URBAN AREAS INDICES

The highest inflation rate of 9,4% was recorded for the Cape Peninsula and for Durban/Pinetown, while the lowest inflation rate of 7,4% was recorded for the Klerksdorp/Stilfontein/Orkey area.

Regarding food, the highest annual rate of increase of 13,1% was recorded for East Londen, while the lowest rate of 8,6% was recorded for the Free State Goldfields.

INFLATION RATE FOR PENSIONERS

The inflation rate for pensioners is 8,8% at September 1996. The highest rate of increase of 9,8% was recorded for the Cape Peninsula, while the lowest rate of increase of 6,7% was recorded for the Free State Goldfields.

FOOD INFLATION AS MEASURED AT CHAIN-STORES AND OTHER RETAILERS

Food prices at chain-stores show an annual rate of increase of 10,3% at September 1996, while food prices at other retailers show an annual rate of increase of 10,4%. From August 1996 to September 1996, food prices at chain-stores increased by 1,8%, while food prices at other retailers increased by 1,9%.

CPI FOR OCTOBER 1996

In addition to the normal price surveys for October 1996, it has come to the attention of the CSS that changed prices apply with effect from October 1996 with regard to newspapers and certain urban areas' water tariffs and housing.

EXPLANATORY NOTES

1. All price information refers to the first seven days of the reference month.
2. The Consumer Price Indices relating to various urban areas as shown in Table 4 do not permit inter-urban comparison of price levels or living costs. The indices do not indicate whether it is more expensive to live in one city than in another. The indices indicate for each urban area, independently of any of the other urban areas, the price changes which have taken place from time to time.
3. Consumer Price Indices have been compiled for the areas Pietersburg and Nelspruit/Witbank as from July 1994. Although prices are collected in each of the respective areas, the indices for June 1994 and the weighting structure of Pretoria were used as basis for the CPI for Pietersburg and those of the Vaal Triangle as basis for Nelspruit/Witbank. The weighting structure of the said areas will be used until the results of the Survey of the Expenditure of Households, which took place in 1995 are available, and the weighting structure for each of the new areas will then be determined accordingly.
Furthermore, it should be noted that the indices for the weighted average have been calculated excluding the new areas. The new areas will be taken into account in the calculation of the weighted average as soon as a weighting structure for each has been brought into effect.
4. The indices for all items excluding food, Table 4.4, have been calculated for each area separately as from July 1994. These indices are calculated by means of the index for all items and the index for food of each area.

5. Value Added Tax (VAT) is included in general in the prices of all items on which VAT is applicable.
6. A more comprehensive description of the weighting system, seasonal adjustment, price collection methodology, etc., appears in the brochure "Inflation" as well as in the notes to Chapter 3 of the Bulletin of Statistics.
7. The three income group categories were defined according to average direct annual income as in October 1990 as:

Lower income group - up to R15 999
Middle income group - R16 000 up to R39 999
Higher income group - R40 000 and more

When these average annual incomes are inflated the income group categories will be defined according to 1995 values as:

Lower income group - up to R27 295
Middle income group - R27 296 up to R68 239
Higher income group - R68 240 and more

TABLE 1 INCOME GROUP INDICES AND PERCENTAGE CHANGE

BASE : 1990 = 100

Group	Sep. 1996	Aug. 1996	Sep. 1995	Percentage change compared with		
				Aug. 1996		Sep. 1995
				Actual	Seasonally adjusted	Actual
Lower income group	185,1	183,0	170,4	+1,1	+1,0	+8,6
Middle income group	190,1	188,0	174,4	+1,1	+1,0	+9,0
Higher income group	186,1	184,4	172,1	+0,9	+0,9	+8,1
All income groups	186,6	184,8	172,1	+1,0 ¹⁾	+1,0 ¹⁾	+8,4 ¹⁾
Food only	214,2	210,3	194,1	+1,9	+1,6	+10,4
All items excluding food	179,9	178,5	166,7	+0,8	+0,8	+7,9
All income groups (VAT EXCLUDED)	180,6	178,8	166,5	+1,0 ¹⁾	+1,0 ¹⁾	+8,5 ¹⁾

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

TABLE 2 EFFECT OF PRICE CHANGES ON THE CONSUMER PRICE INDEX
- ALL INCOME GROUPS

Group	Contribution
Food	+0,4
Cigarettes, cigars and tobacco	+0,1
Housing	+0,1
Furniture and equipment	+0,1
Medical care and health expenses	+0,1
Personal care	+0,1
All other items	+0,1
All items	+1,0

TABLE 3 GROUP INDICES - WEIGHTED AVERAGE
OF THE PRINCIPAL URBAN AREAS

BASE : 1990 = 100

Group	Sep. 1996	Aug. 1996	Sep. 1995	Percentage change compared with		Weights
				Aug. 1996	Sep. 1995	
All items	186,6	184,8	172,1	+1,0	+8,4	100,00
Lower income group	185,1	183,0	170,4	+1,1	+8,6	19,42
Middle income group	190,1	188,0	174,4	+1,1	+9,0	24,09
Higher income group	186,1	184,4	172,1	+0,9	+8,1	56,50
Commodities	191,0	188,9	176,9	+1,1	+8,0	57,92
Services	182,6	181,3	167,2	+0,7	+9,2	42,08
All items, excluding housing	196,6	194,5	182,1	+1,1	+8,0	79,46
All items, excluding food	179,9	178,5	166,7	+0,8	+7,9	81,36
Food	214,2	210,3	194,1	+1,9	+10,4	18,64
Lower income group	213,7	209,7	193,8	+1,9	+10,3	25,16
Middle income group	215,4	211,4	194,8	+1,9	+10,6	20,85
Higher income group	213,8	210,0	193,8	+1,8	+10,3	15,45
Processed	202,9	201,6	188,0	+0,6	+7,9	11,69
Unprocessed	224,5	218,0	199,8	+3,0	+12,4	6,95
Grain products	206,0	201,5	182,0	+2,2	+13,2	2,92
Meat	219,4	217,3	204,9	+1,0	+7,1	6,17
Fish and other seafood	194,0	188,9	177,2	+2,7	+9,5	0,70
Milk, cheese and eggs	193,4	190,4	174,0	+1,6	+11,1	2,28
Fats and oils	209,3	208,5	194,5	+0,4	+7,6	0,87
Fruit and nuts	260,4	265,0	233,0	-1,7	+11,8	1,18
Vegetables	245,0	225,5	202,2	+8,6	+21,2	1,88
Sugar	203,6	204,5	190,1	-0,4	+7,1	0,48
Coffee, tea and cocoa	193,3	193,3	189,3	0,0	+2,1	0,59
Other	198,3	196,2	182,2	+1,1	+8,8	1,57
Non-alcoholic beverages	211,2	211,1	190,8	0,0	+10,7	0,69
Alcoholic beverages	204,2	203,6	188,7	+0,3	+8,2	0,96
Cigarettes, cigars and tobacco	247,3	238,0	208,0	+3,9	+18,9	1,21
Clothing and footwear	149,2	148,9	143,8	+0,2	+3,8	7,02
Clothing	148,4	148,4	143,4	0,0	+3,5	5,87
Footwear	151,6	149,8	144,4	+1,2	+5,0	1,15
Housing	146,0	145,1	131,8	+0,6	+10,8	20,54
Fuel and power	189,2	189,0	177,2	+0,1	+6,8	3,26
Furniture and equipment	148,0	145,4	141,2	+1,8	+4,8	5,50
Furniture	150,5	147,1	142,9	+2,3	+5,3	2,47
Appliances	149,0	146,9	143,1	+1,4	+4,1	1,57
Other household equipment and textiles	150,5	148,7	143,7	+1,2	+4,7	1,46
Household operation	221,9	220,4	198,4	+0,7	+11,8	2,57
Household consumables	195,5	194,6	178,8	+0,5	+9,3	1,37
Domestic workers	276,5	273,2	238,9	+1,2	+15,7	0,83
Other household services	210,2	210,2	191,8	0,0	+9,6	0,37
Medical care and health expenses	222,5	219,5	203,5	+1,4	+9,3	5,22
Transport	192,1	192,2	182,6	-0,1	+5,2	14,43
Vehicles	210,3	209,1	205,2	+0,6	+2,5	5,51
Running cost	181,5	182,8	165,2	-0,7	+9,9	5,76
Public and hired transport	174,0	174,0	168,4	0,0	+3,3	3,16
Communication	204,5	204,5	189,3	0,0	+8,0	1,61
Recreation and entertainment	161,4	159,9	152,8	+0,9	+5,6	3,71
Reading matter	218,8	213,0	192,9	+2,7	+13,4	0,75
Education	310,9	310,9	284,4	0,0	+9,3	1,76
Personal care	180,7	176,8	165,9	+2,2	+8,9	2,64
Other	187,2	184,9	175,0	+1,2	+7,0	9,49

TABLE 4 URBAN AREAS INDICES

TABLE 4.1 Index for all items
Each area compared with itself

BASE : 1990 = 100

Urban area	All items			Percentage change compared with	
	Sep. 1996	Aug. 1996	Sep. 1995	Aug. 1996	Sep. 1995
Cape Peninsula	191,2	187,9	174,7	+1,8	+9,4
Port Elizabeth / Uitenhage	189,5	186,9	173,8	+1,4	+9,0
East London	188,7	186,3	172,8	+1,3	+9,2
Kimberley	188,0	186,0	174,0	+1,1	+8,0
Pietermaritzburg	191,2	188,9	175,8	+1,2	+8,8
Durban / Pinetown	183,5	181,1	167,8	+1,3	+9,4
Pretoria / Centurion / Akasia	188,7	187,0	173,5	+0,9	+8,8
Witwatersrand	185,1	184,0	171,8	+0,6	+7,7
Klerksdorp / Stilfontein / Orkney	184,3	182,9	171,6	+0,8	+7,4
Vaal Triangle	176,0	174,8	163,7	+0,7	+7,5
Free State Goldfields	184,0	182,5	171,2	+0,8	+7,5
Bloemfontein	182,4	180,3	167,9	+1,2	+8,6
Weighted average of the twelve areas	186,6	184,8	172,1	+1,0	+8,4
Nelspruit / Witbank	173,5	172,1	160,8	+0,8	+7,9
Pietersburg	186,3	184,9	171,8	+0,8	+8,4

TABLE 4.2 Index for food
Each area compared with itself

BASE : 1990 = 100

Urban area	Food			Percentage change compared with	
	Sep. 1996	Aug. 1996	Sep. 1995	Aug. 1996	Sep. 1995
Cape Peninsula	225,9	221,4	203,3	+2,0	+11,1
Port Elizabeth / Uitenhage	223,8	216,9	199,9	+3,2	+12,0
East London	225,4	220,3	199,3	+2,3	+13,1
Kimberley	203,5	198,9	186,7	+2,3	+9,0
Pietermaritzburg	236,7	232,3	211,8	+1,9	+11,8
Durban / Pinetown	210,8	206,3	188,5	+2,2	+11,8
Pretoria / Centurion / Akasia	214,8	210,5	191,0	+2,0	+12,5
Witwatersrand	208,9	205,8	191,7	+1,5	+9,0
Klerksdorp / Stilfontein / Orkney	210,4	207,8	192,5	+1,3	+9,3
Vaal Triangle	196,6	194,9	180,6	+0,9	+8,9
Free State Goldfields	209,3	208,0	192,7	+0,6	+8,6
Bloemfontein	220,2	214,7	201,8	+2,6	+9,1
Weighted average of the twelve areas	214,2	210,3	194,1	+1,9	+10,4
Nelspruit / Witbank	193,4	190,4	176,1	+1,6	+9,8
Pietersburg	209,7	206,2	188,8	+1,7	+11,1

TABLE 4 URBAN AREAS INDICES (concluded)
TABLE 4.3 Index for all items excluding housing
 Each area compared with itself

BASE : 1990 = 100

Urban area	All items excluding housing			Percentage change compared with	
	Sep. 1996	Aug. 1996	Sep. 1995	Aug. 1996	Sep. 1995
	Cape Peninsula	201,8	197,8	185,3	+2,0
Port Elizabeth / Uitenhage	200,2	197,1	184,0	+1,6	+8,8
East London	200,0	197,1	183,0	+1,5	+9,3
Kimberley	194,9	192,7	181,4	+1,1	+7,4
Pietermaritzburg	201,0	198,7	185,8	+1,2	+8,2
Durban / Pinetown	192,8	190,6	177,1	+1,2	+8,9
Pretoria / Centurion / Akasia	198,9	196,9	183,5	+1,0	+8,4
Witwatersrand	194,9	193,6	181,8	+0,7	+7,2
Klerksdorp / Stilfontein / Orkney	191,5	189,9	178,5	+0,8	+7,3
Vaal Triangle	182,3	181,1	169,7	+0,7	+7,4
Free State Goldfields	193,4	191,8	179,5	+0,8	+7,7
Bloemfontein	195,7	193,2	180,2	+1,3	+8,6
Weighted average of the twelve areas	196,6	194,5	182,1	+1,1	+8,0
Nelspruit / Witbank	179,0	177,4	166,4	+0,9	+7,6
Pietersburg	196,5	194,8	181,7	+0,9	+8,1

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

BASE : 1990 = 100

Urban area	All items excluding food			Percentage change compared with	
	Sep. 1996	Aug. 1996	Sep. 1995	Aug. 1996	Sep. 1995
	Cape Peninsula	178,8	175,8	164,1	+1,7
Port Elizabeth / Uitenhage	178,1	176,6	164,7	+0,8	+8,1
East London	177,4	175,7	164,2	+1,0	+8,0
Kimberley	179,9	178,8	167,1	+0,6	+7,7
Pietermaritzburg	176,9	175,1	163,9	+1,0	+7,9
Durban / Pinetown	171,3	169,5	157,7	+1,1	+8,6
Pretoria / Centurion / Akasia	180,3	179,3	167,1	+0,6	+7,9
Witwatersrand	176,6	175,9	164,4	+0,4	+7,4
Klerksdorp / Stilfontein / Orkney	174,5	173,5	163,2	+0,6	+6,9
Vaal Triangle	169,5	168,5	158,1	+0,6	+7,2
Free State Goldfields	172,5	171,1	161,1	+0,8	+7,1
Bloemfontein	171,4	170,1	158,0	+0,8	+8,5
Weighted average of the twelve areas	179,9	178,5	166,7	+0,8	+7,9
Nelspruit / Witbank	167,2	166,2	155,7	+0,6	+7,4
Pietersburg	178,6	177,6	165,5	+0,6	+7,9

TABLE 5 SEASONALLY ADJUSTED INDICES

BASE : 1990 = 100

Group	Sep.	Aug.	Jul.	Jun.	Weights
	1996	1996	1996	1996	
All items	186,1	184,3	183,4	182,6	100,00
Lower income group	184,3	182,4	181,5	180,4	19,42
Middle income group	189,6	187,7	186,7	185,7	24,09
Higher income group	185,4	183,8	182,9	182,3	56,50
All items excluding food	179,5	178,0	177,4	177,0	81,36
Commodities	190,3	188,5	187,4	186,0	57,92
Food	213,1	209,8	207,8	205,5	18,64
Food and non-alcoholic beverages	213,3	209,8	207,8	205,5	19,33
Alcoholic beverages, cigarettes, cigars and tobacco	227,2	220,9	218,8	218,6	2,17
Clothing and footwear	149,0	148,7	148,5	148,2	7,02
Furniture and equipment	147,1	145,5	145,1	144,6	5,50
Vehicles	210,7	209,0	207,8	208,6	5,51
Other transport commodities	176,2	177,4	179,2	181,5	5,09
Other commodities	184,6	183,9	182,5	179,0	13,30
Services	182,5	181,0	180,2	179,2	42,08
Housing and domestic workers	148,0	146,7	146,1	147,0	21,37
Transport	179,3	179,4	180,9	179,8	3,83
Other services	230,1	227,9	226,3	222,9	16,88
All items (VAT excluded)	180,2	178,4	177,5	176,8	100,00

TABLE 6 THE CONSUMER PRICE INDEX FOR PENSIONERS - URBAN AREAS INDICES
Each area compared with itself

BASE : 1990 = 100

Urban area	All items			Percentage change compared with	
	Sep.	Aug.	Sep.	Aug.	Sep.
	1996	1996	1995	1996	1995
Cape Peninsula	195,2	192,2	177,7	+1,6	+9,8
Port Elizabeth / Uitenhage	190,3	187,7	174,5	+1,4	+9,1
East London	194,0	191,3	177,5	+1,4	+9,3
Kimberley	190,2	188,2	174,9	+1,1	+8,7
Pietermaritzburg	188,2	186,0	174,2	+1,2	+8,0
Durban / Pinetown	188,2	186,2	172,7	+1,1	+9,0
Pretoria / Centurion / Akasia	190,7	189,2	175,8	+0,8	+8,5
Witwatersrand	187,5	186,4	173,4	+0,6	+8,1
Klerksdorp / Stilfontein / Orkney	187,2	186,1	173,9	+0,6	+7,6
Vaal Triangle	180,9	179,8	167,9	+0,6	+7,7
Free State Goldfields	174,3	173,3	163,3	+0,6	+6,7
Bloemfontein	192,9	190,4	177,3	+1,3	+8,8
Weighted average of the twelve areas	190,0	188,1	174,7	+1,0	+8,8
Nelspruit / Witbank	178,4	177,0	164,1	+0,8	+8,7
Pietersburg	185,7	184,4	172,8	+0,7	+7,5

TABLE 7 PERCENTAGE CHANGE BY TYPE OF STORE

TABLE 7.1 Chain-stores 1/

Group	Percentage change compared with	
	Aug. 1996	Sep. 1995
Food	+1,8	+10,3
Processed	+0,7	+8,0
Unprocessed	+2,8	+12,1
Grain products	+2,5	+13,4
Meat	+0,8	+6,5
Fish and other seafood	+3,0	+10,0
Milk, cheese and eggs	+1,8	+11,0
Fats and oils	+0,4	+7,7
Fruit and nuts	-1,3	+12,9
Vegetables	+8,0	+21,7
Sugar	-0,7	+6,4
Coffee, tea and cocoa	-0,1	+1,9
Other	+1,2	+9,2

1/ With at least 15 branches

TABLE 7.2 Other retailers 2/

Group	Percentage change compared with	
	Aug. 1996	Sep. 1995
Food	+1,9	+10,4
Processed	+0,5	+8,0
Unprocessed	+3,2	+12,1
Grain products	+1,3	+12,1
Meat	+1,2	+7,9
Fish and other seafood	-0,1	+8,0
Milk, cheese and eggs	+0,8	+9,5
Fats and oils	+0,4	+7,4
Fruit and nuts	-3,2	+10,8
Vegetables	+12,2	+22,7
Sugar	+0,1	+9,6
Coffee, tea and cocoa	+0,2	+2,3
Other	+0,4	+7,6

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