



# **Consumer Price Index (CPI) Rural areas and total country August 2004**

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**EXECUTIVE SUMMARY**

**KEY FIGURES AT AUGUST 2004**

Main indices	Indices (2000=100)			Percentage change between		
	August 2003	July 2004	August 2004	July 2004 and August 2004		August 2003 and August 2004
				Actual %	Seasonally adjusted % 1/	Actual %
CPI for rural areas	126,2	127,7	127,2	- 0,4	..	+ 0,8
CPI excluding interest rates on mortgage bonds (CPIX) for rural areas	127,4	130,3	129,8	- 0,4	..	+ 1,9
CPI for total country	124,6	126,1	125,9	- 0,2	..	+ 1,0
CPI excluding interest rates on mortgage bonds (CPIX) for total country	126,6	131,1	130,8	- 0,2	..	+ 3,3

1/ Data for at least 36 months are needed to calculate seasonally adjusted figures

**KEY FINDINGS AT AUGUST 2004**

**Inflation rate for the rural areas is 0,8% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003)**

*The inflation rate for the rural areas is 0,8% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003). This rate is 0,4 of a percentage point lower than the corresponding annual rate of 1,2% at July 2004 (see table 3.2.1, p.9). This lower rate at August 2004 can be explained by decreases in the annual rates of change for:*

- *The CPI for cigarettes, cigars and tobacco for which the rate decreased from 6,6% at July 2004 to a lower rate of 6,2% at August 2004.*
- *The CPI for transport for which the rate decreased from 3,9% at July 2004 to a lower rate of 2,0% at August 2004.*
- *The CPI for food for which the rate decreased from - 0,7% at July 2004 to a lower rate of - 1,0% at August 2004.*
- *The CPI for clothing and footwear for which the rate decreased from - 5,3% at July 2004 to a lower rate of - 5,9% at August 2004.*

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

- *The CPI for medical care and health expenses for which the rate increased from 9,6% at July 2004 to a higher rate of 10,0% at August 2004.*

*From July 2004 to August 2004 the Consumer Price Index for the rural areas decreased by 0,4%.*

The annual increase of 0,8% in the Consumer Price Index for the rural areas is mainly due to annual increases in the price indices for household operation (+ 0,4 of a percentage point), fuel and power (+ 0,4 of a percentage point) and medical care and health expenses (+ 0,4 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for food (- 0,5 of a percentage point), clothing and footwear (- 0,3 of a percentage point), housing (- 0,2 of a percentage point), "other" products (- 0,2 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.3, p.10).

**The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the rural areas is 1,9% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003)**

*The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is 1,9% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003). This rate is 0,5 of a percentage point lower than the corresponding annual rate of 2,4% at July 2004 (see table 3.2.2, p.9). From July 2004 to August 2004 the CPIX for the rural areas decreased by 0,4%.*

The annual increase of 1,9% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is mainly due to annual increases in the price indices for transport (+ 0,5 of a percentage point), household operation (+ 0,4 of a percentage point), fuel and power (+ 0,4 of a percentage point), medical care and health expenses (+ 0,4 of a percentage point) and housing, excluding interest rates on mortgage bonds (+ 0,3 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for food (- 0,4 of a percentage point), "other" products (- 0,3 of a percentage point), clothing and footwear (- 0,2 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.5, p.10).

**Inflation rate for the total country is 1,0% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003)**

*The inflation rate for the total country is 1,0% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003). This rate is 0,5 of a percentage point lower than the corresponding annual rate of 1,5% at July 2004 (see table 4.2.1, p.19). This lower rate at August 2004 can be explained by decreases in the annual rates of change for:*

- *The CPI for clothing and footwear for which the rate decreased from - 4,2% at July 2004 to a lower rate of - 5,1% at August 2004.*
- *The CPI for medical care and health expenses for which the rate decreased from 10,4% at July 2004 to a lower rate of 10,0% at August 2004.*
- *The CPI for transport for which the rate decreased from 5,7% at July 2004 to a lower rate of 2,8% at August 2004.*

*From July 2004 to August 2004 the Consumer Price Index for the total country decreased by 0,2%.*

The annual increase of 1,0% in the Consumer Price Index for the total country is mainly due to annual increases in the price indices for medical care and health expenses (+ 0,6 of a percentage point), household operation (+ 0,4 of a percentage point), transport (+ 0,4 of a percentage point) and food (+ 0,3 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for housing (- 1,3 percentage points), clothing and footwear (- 0,2 of a percentage point), recreation and entertainment (- 0,1 of a percentage point) and "other" products (- 0,1 of a percentage point) (see table 4.3, p.20).

**The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the total country is 3,3% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003)**

*The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is 3,3% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 3,9% at July 2004. From July 2004 to August 2004 the CPIX for the total country decreased by 0,2%.*

The annual increase of 3,3% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is mainly due to annual increases in the price indices for housing, excluding interest rates on mortgage bonds (+ 0,9 of a percentage point), medical care and health expenses (+ 0,7 of a percentage point), household operation (+ 0,5 of a percentage point), transport (+ 0,3 of a percentage point) and education (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point), "other" products (- 0,2 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 4.5, p.20).

**P J Lehohla**  
**Statistician-General: Statistics South Africa**

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## **RURAL AREAS**

Stats SA introduced a CPI for the rural areas as well as for the total country as from May 2003, based on the prices monitored in the smaller towns, as no pricing surveys are undertaken in the rural areas. But, the actual weights for the rural areas were obtained from information received from the Survey of Income and Expenditure of Households, which was conducted in October 2000.

**RURAL AREAS**

**KEY FIGURES AT AUGUST 2004**

**Table B – Consumer Price Index (CPI) and the inflation rate for the rural areas according to main indices**

Main indices	Indices (2000=100)			Percentage change between		
	August 2003	July 2004	August 2004	July 2004 and August 2004		August 2003 and August 2004
				Actual %	Seasonally adjusted % 1/	Actual %
CPI	126,2	127,7	127,2	- 0,4	..	+ 0,8
CPI excluding interest rates on mortgage bonds (CPIX)	127,4	130,3	129,8	- 0,4	..	+ 1,9
Core index	126,5	129,8	129,4	- 0,3	..	+ 2,3
Food price index	138,4	138,0	137,0	- 0,7	..	- 1,0
CPI excluding food price index	117,4	120,4	120,3	- 0,1	..	+ 2,5
CPI excluding Value Added Tax (VAT)	126,2	127,7	127,2	- 0,4	..	+ 0,8

1/ Data for at least 36 months are needed to calculate seasonally adjusted figures

**KEY FINDINGS AT AUGUST 2004**

**Inflation rate for the rural areas is 0,8% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003)**

*The inflation rate for the rural areas is 0,8% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003). This rate is 0,4 of a percentage point lower than the corresponding annual rate of 1,2% at July 2004 (see table 3.2.1, p.9). This lower rate at August 2004 can be explained by decreases in the annual rates of change for:*

- *The CPI for cigarettes, cigars and tobacco for which the rate decreased from 6,6% at July 2004 to a lower rate of 6,2% at August 2004.*
- *The CPI for transport for which the rate decreased from 3,9% at July 2004 to a lower rate of 2,0% at August 2004.*
- *The CPI for food for which the rate decreased from - 0,7% at July 2004 to a lower rate of - 1,0% at August 2004.*
- *The CPI for clothing and footwear for which the rate decreased from - 5,3% at July 2004 to a lower rate of - 5,9% at August 2004.*

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

- *The CPI for medical care and health expenses for which the rate increased from 9,6% at July 2004 to a higher rate of 10,0% at August 2004.*

*From July 2004 to August 2004 the Consumer Price Index for the rural areas decreased by 0,4%.*

The annual increase of 0,8% in the Consumer Price Index for the rural areas is mainly due to annual increases in the price indices for household operation (+ 0,4 of a percentage point), fuel and power (+ 0,4 of a percentage point) and medical care and health expenses (+ 0,4 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for food (- 0,5 of a percentage point), clothing and footwear (- 0,3 of a percentage point), housing (- 0,2 of a percentage point), "other" products (- 0,2 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.3, p.10).

From July 2004 to August 2004 the Consumer Price Index for the rural areas decreased by 0,4%. This monthly decrease is due to monthly decreases in the price indices for food (- 0,3 of a percentage point) and transport (- 0,1 of a percentage point, mainly due to a 23c/l decrease in the price of petrol) (see table 3.4, p.10).

**The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the rural areas is 1,9% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003)**

*The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is 1,9% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003). This rate is 0,5 of a percentage point lower than the corresponding annual rate of 2,4% at July 2004 (see table 3.2.2, p.9). From July 2004 to August 2004 the CPIX for the rural areas decreased by 0,4%.*

The annual increase of 1,9% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the rural areas is mainly due to annual increases in the price indices for transport (+ 0,5 of a percentage point), household operation (+ 0,4 of a percentage point), fuel and power (+ 0,4 of a percentage point), medical care and health expenses (+ 0,4 of a percentage point) and housing, excluding interest rates on mortgage bonds (+ 0,3 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for food (- 0,4 of a percentage point), "other" products (- 0,3 of a percentage point), clothing and footwear (- 0,2 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.5, p.10).

From July 2004 to August 2004 the Consumer Price Index excluding the interest rate on mortgage bonds for the rural areas decreased by 0,4%. This monthly decrease is due to monthly decreases in the price indices for food (- 0,3 of a percentage point) and transport (- 0,1 of a percentage point, mainly due to a 23c/l decrease in the price of petrol) (see table 3.6, p.10).

#### **Core inflation rate**

*The core inflation rate for the rural areas (see explanatory notes 33, 34 and 35 on page 34 and 35) is 2,3% at August 2004 (i.e. the core index at August 2004 compared with that at August 2003). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 2,9% at July 2004. From July 2004 to August 2004 the core index for the rural areas decreased by 0,3%.*

The annual increase of 2,3% in the core index for the rural areas is mainly due to annual increases in the price indices for household operation (+ 0,6 of a percentage point), medical care and health expenses (+ 0,5 of a percentage point), transport (+ 0,3 of a percentage point), fuel and power (+ 0,3 of a percentage point), alcoholic beverages (+ 0,3 of a percentage point), personal care (+ 0,3 of a percentage point) and education (+ 0,3 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for food (- 0,5 of a percentage point), clothing and footwear (- 0,4 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 3.7, p.11).

From July 2004 to August 2004 the core index for the rural areas decreased by 0,3%. This monthly decrease is due to monthly decreases in the price indices for food (- 0,1 of a percentage point), housing (- 0,1 of a percentage point) and transport (- 0,1 of a percentage point, mainly due to a 23c/l decrease in the price of petrol) (see table 3.8, p.11).

#### **Food inflation**

*The price index for food reflects an annual rate of change of - 1,0% at August 2004 (i.e. the CPI for food at August 2004 compared with that at August 2003), which is 0,3 of a percentage point lower than the corresponding annual rate of - 0,7% at July 2004. From July 2004 to August 2004 this index decreased by 0,7%.*

Annual decreases occurred in the price indices for vegetables (- 7,5%), grain products (- 7,3%), sugar (- 2,9%), fish and other seafood (- 1,6%), milk, cheese and eggs (- 0,2%) and coffee, tea and cocoa (- 0,2%). These annual decreases were partially counteracted by annual increases in the price indices for fruit and nuts (+ 7,3%), meat (+ 5,2%), fats and oils (+ 3,9%) and "other" food products (+ 2,6%) (see table 3.9, p.12).



Monthly decreases occurred in the price indices for vegetables (- 4,4%), fruit and nuts (- 2,2%), sugar (- 1,5%), milk, cheese and eggs (- 1,3%), grain products (- 0,9%), fats and oils (- 0,4%), coffee, tea and cocoa (- 0,2%) and fish and other seafood (- 0,1%). These monthly decreases were slightly counteracted by monthly increases in the price indices for meat (+ 0,6%) and "other" food products (+ 0,3%) (see table 3.9, p.12).

### **Price index for CPI excluding food**

*The price index for non-food items reflects an annual rate of increase of 2,5% at August 2004 (i.e. the CPI excluding food items at August 2004 compared with that at August 2003), which is 0,6 of a percentage point lower than the corresponding annual rate of 3,1% at July 2004. From July 2004 to August 2004 this index decreased by 0,1%.*

Annual increases occurred in the price indices for alcoholic beverages (+ 10,1%), medical care and health expenses (+ 10,0%), education (+ 8,2%), fuel and power (+ 7,5%), household operation (+ 7,0%), cigarettes, cigars and tobacco (+ 6,2%), personal care (+ 4,9%), non-alcoholic beverages (+ 4,6%), reading matter (+ 3,9%), communication (+ 2,7%), furniture and equipment (+ 2,5%) and transport (+ 2,0%). These annual increases were slightly counteracted by annual decreases in the price indices for "other" products (- 9,4%), recreation and entertainment (- 6,1%), clothing and footwear (- 5,9%) and housing (- 4,3%) (see table 3.9, p.12).

Relatively large monthly decreases occurred in the price indices for transport (- 0,9%, mainly due to a 23c/l decrease in the price of petrol), clothing and footwear (- 0,8 %), fuel and power (- 0,5%) and housing (- 0,3%). These monthly decreases were partially counteracted by relatively large monthly increases in the price indices for communication (+ 0,9%) and personal care (+ 0,4%) (see table 3.9, p.12).

Table 3.1 - Expenditure group and area indices of the Consumer Price Index and percentage change for the rural areas

Expenditure group/Area indices	Indices (2000=100)			Percentage change between		
	Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004		Aug 2003 and Aug 2004
				Actual %	Seasonally adjusted % 1/	Actual %
Expenditure group indices						
Very low expenditure	133,5	134,0	132,8	-0,9	..	-0,5
Low expenditure	132,0	132,8	131,9	-0,7	..	-0,1
Middle expenditure	129,2	130,9	130,2	-0,5	..	+0,8
High expenditure	126,4	130,0	129,6	-0,3	..	+2,5
Very high expenditure	121,7	122,7	122,5	-0,2	..	+0,7
All expenditure groups	126,2	127,7	127,2	-0,4	..	+0,8
CPI excluding interest rates on mortgage bonds (CPIX)	127,4	130,3	129,8	-0,4	..	+1,9
Core index	126,5	129,8	129,4	-0,3	..	+2,3
Food only index	138,4	138,0	137,0	-0,7	..	-1,0
CPI excluding food	117,4	120,4	120,3	-0,1	..	+2,5
CPI excluding VAT	126,2	127,7	127,2	-0,4	..	+0,8

1/ Data for at least 36 months are needed to calculate seasonally adjusted figures.

Table 3.2.1 - The Consumer Price Index and the annual inflation rate on a monthly basis for the rural areas

Base year: 2000 = 100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2003	Index	125,1	124,6	125,7	125,8	126,1	126,3	126,2	126,2	126,0	125,7	125,1	125,1	125,7
	% 1)	+13,6	+11,9	+11,0	+9,2	+8,6	+7,5	+6,1	+5,0	+3,4	+2,3	+1,4	+1,1	+6,6 2)
2004	Index	126,0	126,8	127,7	127,9	128,1	127,7	127,7	127,2	..	..	..	..	..
	% 1)	+0,7	+1,8	+1,6	+1,7	+1,6	+1,1	+1,2	+0,8	..	..	..	..	.. 2)

Table 3.2.2 - The Consumer Price Index excluding interest rates on mortgage bonds on a monthly basis for the rural areas

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2003	Index	125,7	125,2	126,4	126,5	126,7	127,0	127,3	127,4	127,5	127,5	127,3	127,2	126,8
	% 1)	+13,1	+11,7	+10,8	+9,1	+8,4	+7,0	+6,4	+5,5	+4,0	+3,2	+2,7	+2,4	+6,9 2)
2004	Index	128,4	129,2	130,2	130,5	130,6	130,3	130,3	129,8	..	..	..	..	..
	% 1)	+2,1	+3,2	+3,0	+3,2	+3,1	+2,6	+2,4	+1,9	..	..	..	..	.. 2)

1) % = annual inflation rate

2) Average annual inflation rate

Table 3.3 - Contributions of different groups to the annual percentage change in the CPI for the rural areas

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,4	-0,5
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,0
Clothing and footwear	-0,2	-0,3
Housing	-0,2	-0,2
Fuel and power	0,4	0,4
Furniture and equipment	0,1	0,1
Household operation	0,4	0,4
Medical care and health expenses	0,3	0,4
Transport	0,3	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,2	0,2
Personal care	0,2	0,2
Other	-0,2	-0,2
<b>All groups</b>	<b>1,2</b>	<b>0,8</b>

Table 3.4 - Contributions of different groups to the monthly percentage change in the CPI for the rural areas

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,4	-0,3
Housing	0,1	0,0
Fuel and power	0,3	0,0
Transport	-0,1	-0,1
Personal care	0,1	0,0
<b>All groups</b>	<b>0,0</b>	<b>-0,4</b>

Table 3.5 - Contributions of different groups to the annual percentage change in the CPIX for the rural areas

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,3	-0,4
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,2
Housing (excluding interest rate on mortgage bonds)	0,3	0,3
Fuel and power	0,5	0,4
Furniture and equipment	0,1	0,1
Household operation	0,5	0,4
Medical care and health expenses	0,4	0,4
Transport	0,6	0,5
Recreation and entertainment	-0,1	-0,1
Education	0,2	0,2
Personal care	0,2	0,2
Other	-0,3	-0,3
<b>All groups</b>	<b>2,4</b>	<b>1,9</b>

Table 3.6 - Contributions of different groups to the monthly percentage change in the CPIX for the rural areas

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,4	-0,3
Housing	0,1	0,0
Fuel and power	0,3	0,0
Medical care and health expenses	0,1	0,0
Transport	-0,1	-0,1
<b>All groups</b>	<b>0,0</b>	<b>-0,4</b>

Table 3.7 - Contributions of different groups to the annual percentage change in the Core index for the rural areas

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,4	-0,5
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,3	0,3
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,3	-0,4
Housing	0,2	0,2
Fuel and power	0,3	0,3
Furniture and equipment	0,2	0,1
Household operation	0,7	0,6
Medical care and health expenses	0,5	0,5
Transport	0,5	0,3
Communication	0,1	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,3	0,3
Personal care	0,3	0,3
Other	0,1	0,1
<b>All groups</b>	<b>2,9</b>	<b>2,3</b>

Table 3.8 - Contributions of different groups to the monthly percentage change in the Core index for the rural areas

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,3	-0,1
Housing	0,0	-0,1
Fuel and power	0,2	0,0
Household operation	+0,1	0,0
Medical care and health expenses	+0,1	0,0
Transport	-0,1	-0,1
Personal care	0,2	0,0
<b>All groups</b>	<b>0,2</b>	<b>-0,3</b>

Table 3.9 - Consumer Price Index group and product indices and percentage change for the rural areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
CPI: All items	100,00	126,2	127,7	127,2	-0,4	+0,8
Expenditure groups - Very low	12,19	133,5	134,0	132,8	-0,9	-0,5
Low	15,22	132,0	132,8	131,9	-0,7	-0,1
Middle	26,12	129,2	130,9	130,2	-0,5	+0,8
High	19,87	126,4	130,0	129,6	-0,3	+2,5
Very high	26,60	121,7	122,7	122,5	-0,2	+0,7
Commodities	81,08	128,6	130,4	129,7	-0,5	+0,9
Services	18,92	120,2	121,1	121,1	0,0	+0,7
CPI: All items, excluding housing	95,48	126,7	128,5	128,0	-0,4	+1,0
CPI: All items, excluding food	56,99	117,4	120,4	120,3	-0,1	+2,5
Food	43,01	138,4	138,0	137,0	-0,7	-1,0
Expenditure groups - Very low	62,27	139,7	136,9	135,3	-1,2	-3,1
Low	59,07	139,4	137,2	135,9	-0,9	-2,5
Middle	53,26	138,6	137,7	136,6	-0,8	-1,4
High	40,37	137,9	139,0	138,1	-0,6	+0,1
Very high	17,18	137,1	139,1	138,8	-0,2	+1,2
Processed	21,13	138,2	140,8	140,6	-0,1	+1,7
Unprocessed	21,88	138,7	135,3	133,5	-1,3	-3,7
Grain products	16,36	137,7	128,8	127,7	-0,9	-7,3
Meat	8,00	135,2	141,3	142,2	+0,6	+5,2
Fish and other seafood	1,17	147,2	145,0	144,8	-0,1	-1,6
Milk, cheese and eggs	2,55	147,5	149,1	147,2	-1,3	-0,2
Fats and oils	1,39	152,0	158,7	158,0	-0,4	+3,9
Fruit and nuts	1,39	145,1	159,2	155,7	-2,2	+7,3
Vegetables	3,42	133,8	129,4	123,7	-4,4	-7,5
Sugar	2,44	136,7	134,8	132,8	-1,5	-2,9
Coffee, tea and cocoa	1,55	126,5	126,5	126,2	-0,2	-0,2
Other	4,74	141,6	144,9	145,3	+0,3	+2,6
Non-alcoholic beverages	1,72	133,4	139,5	139,6	+0,1	+4,6
Alcoholic beverages	2,27	129,1	142,2	142,2	0,0	+10,1
Cigarettes, cigars and tobacco	1,03	142,1	150,8	150,9	+0,1	+6,2
Clothing and footwear	5,40	100,9	95,7	94,9	-0,8	-5,9
Clothing	3,34	99,6	93,6	92,4	-1,3	-7,2
Footwear	2,06	103,0	99,2	99,1	-0,1	-3,8
Housing	4,52	122,3	117,3	117,0	-0,3	-4,3
Fuel and power	6,06	112,5	121,5	120,9	-0,5	+7,5
Furniture and equipment	4,46	112,4	115,4	115,2	-0,2	+2,5
Furniture	2,13	115,6	120,8	120,8	0,0	+4,5
Appliances	0,94	111,9	112,1	112,5	+0,4	+0,5
Other household equipment and textiles	1,39	108,8	111,2	110,4	-0,7	+1,5
Household operation	5,78	133,4	142,3	142,7	+0,3	+7,0
Household consumables	3,48	138,0	141,8	142,6	+0,6	+3,3
Domestic workers	1,98	130,8	144,8	144,8	0,0	+10,7
Other household services	0,32	107,3	111,9	111,9	0,0	+4,3
Medical care and health expenses	3,07	130,6	143,2	143,6	+0,3	+10,0
Transport	9,29	112,4	115,8	114,7	-0,9	+2,0
Vehicles	2,59	113,7	114,0	114,0	0,0	+0,3
Running cost	4,02	117,5	125,0	122,5	-2,0	+4,3
Public and hired transport	2,68	101,7	102,1	102,1	0,0	+0,4
Communication	1,17	123,4	125,6	126,7	+0,9	+2,7
Recreation and entertainment	1,26	101,8	95,8	95,6	-0,2	-6,1
Reading matter	0,29	114,0	118,4	118,5	+0,1	+3,9
Education	2,99	132,6	143,5	143,5	0,0	+8,2
Personal care	5,06	131,8	137,6	138,2	+0,4	+4,9
Other	2,62	107,6	97,4	97,5	+0,1	-9,4

Table 3.10 - Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the rural areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
CPI: All items	100,00	127,4	130,3	129,8	-0,4	+1,9
Expenditure groups - Very low	12,38	133,7	134,2	133,0	-0,9	-0,5
Low	15,45	132,1	133,0	132,1	-0,7	0,0
Middle	26,43	129,5	131,4	130,7	-0,5	+0,9
High	20,18	126,5	130,1	129,7	-0,3	+2,5
Very high	25,56	123,7	127,9	127,6	-0,2	+3,2
Commodities	82,35	128,9	130,8	130,0	-0,6	+0,9
Services	17,65	123,0	129,0	128,9	-0,1	+4,8
CPI: All items, excluding housing	96,98	127,2	129,8	129,3	-0,4	+1,7
CPI: All items, excluding food	56,30	118,9	124,4	124,2	-0,2	+4,5
Food	43,70	138,4	138,0	137,0	-0,7	-1,0
Expenditure groups - Very low	62,27	139,7	136,9	135,3	-1,2	-3,1
Low	59,07	139,4	137,2	135,9	-0,9	-2,5
Middle	53,26	138,6	137,7	136,6	-0,8	-1,4
High	40,37	137,9	139,0	138,1	-0,6	+0,1
Very high	18,15	137,1	139,1	138,8	-0,2	+1,2
Processed	21,56	138,2	140,8	140,6	-0,1	+1,7
Unprocessed	22,14	138,7	135,3	133,5	-1,3	-3,7
Grain products	16,63	137,7	128,8	127,7	-0,9	-7,3
Meat	8,13	135,2	141,3	142,2	+0,6	+5,2
Fish and other seafood	1,19	147,2	145,0	144,8	-0,1	-1,6
Milk, cheese and eggs	2,59	147,5	149,1	147,2	-1,3	-0,2
Fats and oils	1,41	152,0	158,7	158,0	-0,4	+3,9
Fruit and nuts	1,41	145,1	159,2	155,7	-2,2	+7,3
Vegetables	3,48	133,8	129,4	123,7	-4,4	-7,5
Sugar	2,48	136,7	134,8	132,8	-1,5	-2,9
Coffee, tea and cocoa	1,57	126,5	126,5	126,2	-0,2	-0,2
Other	4,81	141,6	144,9	145,3	+0,3	+2,6
Non-alcoholic beverages	1,75	133,4	139,5	139,6	+0,1	+4,6
Alcoholic beverages	2,32	129,1	142,2	142,2	0,0	+10,1
Cigarettes, cigars and tobacco	1,04	142,1	150,8	150,9	+0,1	+6,2
Clothing and footwear	5,49	101,9	97,0	96,2	-0,8	-5,6
Clothing	3,40	101,1	95,6	94,5	-1,2	-6,5
Footwear	2,09	103,0	99,2	99,1	-0,1	-3,8
Housing	3,02	134,6	147,1	146,5	-0,4	+8,8
Fuel and power	6,17	112,5	121,5	120,9	-0,5	+7,5
Furniture and equipment	4,53	112,5	115,5	115,3	-0,2	+2,5
Furniture	2,16	115,6	120,8	120,8	0,0	+4,5
Appliances	0,95	112,0	112,3	112,6	+0,3	+0,5
Other household equipment and textiles	1,42	108,9	111,3	110,5	-0,7	+1,5
Household operation	5,87	133,4	142,3	142,7	+0,3	+7,0
Household consumables	3,53	138,0	141,8	142,6	+0,6	+3,3
Domestic workers	2,02	130,8	144,8	144,8	0,0	+10,7
Other household services	0,32	107,3	111,9	111,9	0,0	+4,3
Medical care and health expenses	3,11	130,6	143,2	143,6	+0,3	+10,0
Transport	9,45	113,6	117,5	116,2	-1,1	+2,3
Vehicles	2,63	113,9	114,2	114,2	0,0	+0,3
Running cost	4,10	120,1	128,9	125,9	-2,3	+4,8
Public and hired transport	2,72	101,8	102,2	102,2	0,0	+0,4
Communication	1,13	122,8	125,1	126,1	+0,8	+2,7
Recreation and entertainment	1,28	102,0	96,0	95,8	-0,2	-6,1
Reading matter	0,29	114,1	118,5	118,7	+0,2	+4,0
Education	3,04	132,6	143,5	143,5	0,0	+8,2
Personal care	5,14	131,8	137,6	138,2	+0,4	+4,9
Other	2,67	108,5	97,1	97,2	+0,1	-10,4

Table 3.11 - Consumer Price Index group and product indices according to COICOP<sup>1)</sup> and percentage change for the rural areas

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
CPI: All items	100,00	126,2	127,7	127,2	-0,4	+0,8
Expenditure groups - Very low	12,19	133,5	134,0	132,8	-0,9	-0,5
Low	15,22	132,0	132,8	131,9	-0,7	-0,1
Middle	26,12	129,2	130,9	130,2	-0,5	+0,8
High	19,87	126,4	130,0	129,6	-0,3	+2,5
Very high	26,60	121,7	122,7	122,5	-0,2	+0,7
Commodities	81,08	128,6	130,4	129,7	-0,5	+0,9
Services	18,92	120,2	121,1	121,1	0,0	+0,7
CPI: All items, excluding housing	95,48	126,7	128,5	128,0	-0,4	+1,0
CPI: All items, excluding food	58,54	117,4	120,4	120,3	-0,1	+2,5
Food, beverages and tobacco	48,03	138,0	138,6	137,7	-0,6	-0,2
Food excluding coffee, tea and cocoa	41,46	138,6	138,2	137,1	-0,8	-1,1
Grain products	16,36	137,7	128,8	127,7	-0,9	-7,3
Meat	8,00	135,2	141,3	142,2	+0,6	+5,2
Fish and other seafood	1,17	147,2	145,0	144,8	-0,1	-1,6
Milk, cheese and eggs	2,55	147,5	149,1	147,2	-1,3	-0,2
Fats and oils	1,39	152,0	158,7	158,0	-0,4	+3,9
Fruit and nuts	1,39	145,1	159,2	155,7	-2,2	+7,3
Vegetables	3,42	133,8	129,4	123,7	-4,4	-7,5
Sugar	2,44	136,7	134,8	132,8	-1,5	-2,9
Other	4,74	141,6	144,9	145,3	+0,3	+2,6
Beverages	5,54	129,7	137,0	136,9	-0,1	+5,6
Coffee, tea and cocoa	1,55	126,5	126,5	126,2	-0,2	-0,2
Non-alcoholic beverages	1,72	133,4	139,5	139,6	+0,1	+4,6
Alcoholic beverages	2,27	129,1	142,2	142,2	0,0	+10,1
Tobacco	1,03	142,1	150,8	150,9	+0,1	+6,2
Clothing and footwear	5,40	100,9	95,7	94,9	-0,8	-5,9
Clothing	3,34	99,6	93,6	92,4	-1,3	-7,2
Footwear	2,06	103,0	99,2	99,1	-0,1	-3,8
Housing, water, electricity, gas and other fuels	10,58	121,1	122,9	122,4	-0,4	+1,1
Housing	4,52	122,3	117,3	117,0	-0,3	-4,3
Fuel and power	6,06	112,5	121,5	120,9	-0,5	+7,5
Furnishings, household equipment and routine maintenance of the house	10,24	123,8	130,2	130,3	+0,1	+5,3
Furniture and equipment	4,46	112,4	115,4	115,2	-0,2	+2,5
Furniture	2,13	115,6	120,8	120,8	0,0	+4,5
Appliances	0,94	111,9	112,1	112,5	+0,4	+0,5
Other household equipment and textiles	1,39	108,8	111,2	110,4	-0,7	+1,5
Household operation	5,78	133,4	142,3	142,7	+0,3	+7,0
Household consumables	3,48	138,0	141,8	142,6	+0,6	+3,3
Domestic workers	1,98	130,8	144,8	144,8	0,0	+10,7
Other household services	0,32	107,3	111,9	111,9	0,0	+4,3
Health (Medical care and health expenses)	3,07	130,6	143,2	143,6	+0,3	+10,0
Transport	9,29	112,4	115,8	114,7	-0,9	+2,0
Vehicles	2,59	113,7	114,0	114,0	0,0	+0,3
Running cost	4,02	117,5	125,0	122,5	-2,0	+4,3
Public and hired transport	2,68	101,7	102,1	102,1	0,0	+0,4
Leisure, entertainment and culture	1,55	104,7	100,7	100,5	-0,2	-4,0
Recreation and entertainment	1,26	101,8	95,8	95,6	-0,2	-6,1
Reading matter	0,29	114,0	118,4	118,5	+0,1	+3,9
Education	2,99	132,6	143,5	143,5	0,0	+8,2
Miscellaneous goods and services	8,85	117,3	116,9	117,3	+0,3	0,0
Communication	1,17	123,4	125,6	126,7	+0,9	+2,7
Personal care	5,06	131,8	137,6	138,2	+0,4	+4,9
Other	2,62	107,6	97,4	97,5	+0,1	-9,4

1) COICOP = Classification of individual consumption by purpose

## **TOTAL COUNTRY**



**TOTAL COUNTRY**

**KEY FIGURES AT AUGUST 2004**

**Table D – Consumer Price Index (CPI) and the inflation rate for the total country according to main indices**

Main indices	Indices (2000=100)			Percentage change between		
	August 2003	July 2004	August 2004	July 2004 and August 2004		August 2003 and August 2004
				Actual %	Seasonally adjusted % 1/	Actual %
CPI	124,6	126,1	125,9	- 0,2	..	+ 1,0
CPI excluding interest rates on mortgage bonds (CPIX)	126,6	131,1	130,8	- 0,2	..	+ 3,3
Core index	126,1	130,8	130,5	- 0,2	..	+ 3,5
Food price index	134,3	135,6	135,4	- 0,1	..	+ 0,8
CPI excluding food price index	121,4	123,0	122,7	- 0,2	..	+ 1,1
CPI excluding Value Added Tax (VAT)	124,6	126,1	125,9	- 0,2	..	+ 1,0

1/ Data for at least 36 months are needed to calculate seasonally adjusted figures

**KEY FINDINGS AT AUGUST 2004**

**Inflation rate for the total country is 1,0% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003)**

*The inflation rate for the total country is 1,0% at August 2004 (i.e. the CPI at August 2004 compared with that at August 2003). This rate is 0,5 of a percentage point lower than the corresponding annual rate of 1,5% at July 2004 (see table 4.2.1, p.19). This lower rate at August 2004 can be explained by decreases in the annual rates of change for:*

- *The CPI for clothing and footwear for which the rate decreased from - 4,2% at July 2004 to a lower rate of - 5,1% at August 2004.*
- *The CPI for medical care and health expenses for which the rate decreased from 10,4% at July 2004 to a lower rate of 10,0% at August 2004.*
- *The CPI for transport for which the rate decreased from 5,7% at July 2004 to a lower rate of 2,8% at August 2004.*

*From July 2004 to August 2004 the Consumer Price Index for the total country decreased by 0,2%.*

The annual increase of 1,0% in the Consumer Price Index for the total country is mainly due to annual increases in the price indices for medical care and health expenses (+ 0,6 of a percentage point), household operation (+ 0,4 of a percentage point), transport (+ 0,4 of a percentage point) and food (+ 0,3 of a percentage point). These annual increases were partially counteracted by annual decreases in the price indices for housing (- 1,3 percentage points), clothing and footwear (- 0,2 of a percentage point), recreation and entertainment (- 0,1 of a percentage point) and “other” products (- 0,1 of a percentage point) (see table 4.3, p.20).

From July 2004 to August 2004 the Consumer Price Index for the total country decreased by 0,2%. This monthly decrease is due to a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a 23c/l decrease in the price of petrol) (see table 4.4, p.20).

**The annual percentage change in the Consumer Price Index excluding interest rates on mortgage bonds (CPIX) for the total country is 3,3% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003)**

*The annual percentage change in the CPIX, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is 3,3% at August 2004 (i.e. the CPIX at August 2004 compared with that at August 2003). This rate is 0,6 of a percentage point lower than the corresponding annual rate of 3,9% at July 2004. From July 2004 to August 2004 the CPIX for the total country decreased by 0,2%.*

The annual increase of 3,3% in the Consumer Price Index excluding the interest rate on mortgage bonds, for the total country is mainly due to annual increases in the price indices for housing, excluding interest rates on mortgage bonds (+ 0,9 of a percentage point), medical care and health expenses (+ 0,7 of a percentage point), household operation (+ 0,5 of a percentage point), transport (+ 0,3 of a percentage point) and education (+ 0,3 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point), "other" products (- 0,2 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 4.5, p.20).

From July 2004 to August 2004 the Consumer Price Index excluding the interest rate on mortgage bonds for the total country decreased by 0,2%. This monthly decrease is due to a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a 23c/l decrease in the price of petrol) (see table 4.6, p.20).

### **Core inflation rate**

*The core inflation rate for the total country (see explanatory notes 33, 34 and 35 on page 34 and 35) is 3,5% at August 2004 (i.e. the core index at August 2004 compared with that at August 2003). This rate is 0,7 of a percentage point lower than the corresponding rate of 4,2% at July 2004. From July 2004 to August 2004 the core index for the total country decreased by 0,2%.*

The annual increase of 3,5% in the core index, for the total country is mainly due to annual increases in the price indices for medical care and health expenses (+ 1,1 percentage points), household operation (+ 0,6 of a percentage point), transport (+ 0,5 of a percentage point), education (+ 0,5 of a percentage point) and housing (+ 0,4 of a percentage point). These annual increases were slightly counteracted by annual decreases in the price indices for clothing and footwear (- 0,2 of a percentage point), food (- 0,1 of a percentage point) and recreation and entertainment (- 0,1 of a percentage point) (see table 4.7, p.21).

From July 2004 to August 2004 the core index for the total country decreased by 0,2%. This monthly decrease is due to a monthly decrease in the price index for transport (- 0,2 of a percentage point, mainly due to a 23c/l decrease in the price of petrol) (see table 4.8, p.21).

### **Food inflation**

*The price index for food for the total country reflects an annual rate of increase of 0,8% at August 2004 (i.e. the CPI for food at August 2004 compared with that at August 2003). This rate is 0,2 of a percentage point lower than the corresponding annual rate of 1,0% at July 2004. From July 2004 to August 2004 this index decreased by 0,1%.*

Annual increases occurred in the price indices for meat (+ 5,4%), fruit and nuts (+ 4,1%), "other" food products (+ 3,0%), fats and oils (+ 2,3%), milk, cheese and eggs (+ 1,3%) and fish and other seafood (+ 1,0%). These annual increases were partially counteracted by annual decreases in the price indices for vegetables (- 5,2%), grain products (- 4,1%), sugar (- 1,6%) and coffee, tea and cocoa (- 1,5%) (see table 4.9, p.22).

Monthly decreases occurred in the price indices for vegetables (- 2,0%), sugar (- 0,8%), milk, cheese and eggs (- 0,8%), fats and oils (- 0,6%), fruit and nuts (- 0,5%), grain products (- 0,2%) and coffee, tea and cocoa (- 0,1%). These monthly decreases were partially counteracted by monthly increases in the price indices for meat (+ 0,7%), fish and other seafood (+ 0,2%) and "other" food products (+ 0,1%) (see table 4.9, p.22).

### Price index for CPI excluding food

*The price index for non-food items reflects an annual rate of increase of 1,1% at August 2004 (i.e. the CPI excluding food items at August 2004 compared with that at August 2003), which is 0,6 of a percentage point lower than the corresponding annual rate of 1,7% at July 2004. From July 2004 to August 2004 this index decreased by 0,2%.*

Relatively large annual increases occurred in the price indices for medical care and health expenses (+ 10,0%), alcoholic beverages (+ 10,0%), household operation (+ 9,0%), education (+ 9,0%), cigarettes, cigars and tobacco (+ 6,1%), fuel and power (+ 5,7%), non-alcoholic beverages (+ 4,7%), reading matter (+ 3,9%), communication (+ 3,0%), personal care (+ 3,0%) and transport (+ 2,8%). These annual increases were slightly counteracted by annual decreases in the price indices for housing (- 7,0%), "other" products (- 5,2%), clothing and footwear (- 5,1%) and recreation and entertainment (- 4,5%) (see table 4.9, p.22).

Relatively large monthly decreases occurred in the price indices for transport (- 1,5%, mainly due to a 23c/l decrease in the price of petrol), clothing and footwear (- 0,8%) and medical care and health expenses (- 0,3%). These monthly decreases were partially counteracted by relatively large monthly increases in the price indices for communication (+ 0.8%), housing (+0,2%) and personal care (+ 0,2%) (see table 4.9, p.22).

### Areas indices

The rural areas of Western Cape recorded the highest annual inflation rate of 3,1%, while the lowest annual inflation rate of - 3,9% was recorded for the rural areas of the Free State (see table 4.12, p.25).

Regarding food prices, the highest annual inflation rate of 3,9% was recorded for the other urban areas of Mpumalanga, while the lowest annual inflation rate of - 4,9% was recorded for the rural areas of Kwazulu-Natal (see table 4.13, p.26).

### Pensioners

The East London area recorded the highest annual rate of increase of 6,9%, while the lowest annual rate of change of - 2,2% was recorded for the rural areas of Kwazulu-Natal (see table 4.16, p.29).

Table 4.1 - Expenditure group and area indices of the Consumer Price Index and percentage change for the total country

Expenditure group/Area indices	Indices (2000=100)			Percentage change between		
	Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004		Aug 2003 and Aug 2004
				Actual %	Seasonally adjusted % 1/	Actual %
Expenditure group indices						
Very low expenditure	132,2	133,5	132,7	-0,6	..	+0,4
Low expenditure	131,0	132,7	132,1	-0,5	..	+0,8
Middle expenditure	129,1	131,6	131,3	-0,2	..	+1,7
High expenditure	127,4	130,6	130,5	-0,1	..	+2,4
Very high expenditure	122,7	123,8	123,5	-0,2	..	+0,7
All expenditure groups	124,6	126,1	125,9	-0,2	..	+1,0
CPI excluding interest rates on mortgage bonds (CPIX)	126,6	131,1	130,8	-0,2	..	+3,3
Core index	126,1	130,8	130,5	-0,2	..	+3,5
Food only index	134,3	135,6	135,4	-0,1	..	+0,8
CPI excluding food	121,4	123,0	122,7	-0,2	..	+1,1
CPI excluding VAT	124,6	126,1	125,9	-0,2	..	+1,0

1/ Data for at least 36 months are needed to calculate seasonally adjusted figures.

Table 4.2.1 - The Consumer Price Index and the annual inflation rate on a monthly basis for the total country

Base year: 2000 = 100

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2003	Index	123,1	123,0	124,2	124,5	124,4	124,2	124,2	124,6	124,2	123,6	122,8	122,9	123,8
	% 1)	+12,0	+10,7	+10,5	+9,0	+8,3	+7,1	+5,6	+5,2	+3,8	+2,0	+0,9	+0,7	+6,2 2)
2004	Index	123,8	124,4	125,2	125,5	125,6	125,8	126,1	125,9	..	..	..	..	..
	% 1)	+0,6	+1,1	+0,8	+0,8	+1,0	+1,3	+1,5	+1,0	..	..	..	..	.. 2)

Table 4.2.2 - The Consumer Price Index excluding interest rates on mortgage bonds on a monthly basis for the total country

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2003	Index	123,9	123,8	125,0	125,4	125,3	125,1	126,2	126,6	126,9	126,9	127,2	127,2	125,8
	% 1)	+10,5	+9,8	+9,6	+8,6	+7,7	+6,5	+6,5	+6,0	+5,1	+4,2	+3,9	+3,8	+6,8 2)
2004	Index	128,6	129,3	130,2	130,5	130,6	130,8	131,1	130,8	..	..	..	..	..
	% 1)	+3,8	+4,4	+4,2	+4,1	+4,2	+4,6	+3,9	+3,3	..	..	..	..	.. 2)

1) % = annual inflation rate

2) Average annual inflation rate

Table 4.3 - Contributions of different groups to the annual percentage change in the CPI for the total country

Group	Contribution at July 2004	Contribution at August 2004
Food	0,3	0,3
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,1	-0,2
Housing	-1,3	-1,3
Fuel and power	0,2	0,2
Household operation	0,4	0,4
Medical care and health expenses	0,7	0,6
Transport	0,7	0,4
Communication	0,1	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,2	0,2
Personal care	0,1	0,1
Other	-0,1	-0,1
<b>All groups</b>	<b>1,5</b>	<b>1,0</b>

Table 4.4 - Contributions of different groups to the monthly percentage change in the CPI for the total country

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,2	0,0
Housing	0,3	0,0
Fuel and power	0,1	0,0
Medical care and health expenses	0,1	0,0
Transport	-0,1	-0,2
<b>All groups</b>	<b>0,2</b>	<b>-0,2</b>

Table 4.5 - Contributions of different groups to the annual percentage change in the CPIX for the total country

Group	Contribution at July 2004	Contribution at August 2004
Food	0,3	0,2
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,2	-0,2
Housing (excluding interest rate on mortgage bonds)	0,9	0,9
Fuel and power	0,2	0,2
Household operation	0,5	0,5
Medical care and health expenses	0,8	0,7
Transport	0,7	0,3
Communication	0,1	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,3	0,3
Personal care	0,2	0,2
Other	-0,2	-0,2
<b>All groups</b>	<b>3,9</b>	<b>3,3</b>

Table 4.6 - Contributions of different groups to the monthly percentage change in the CPIX for the total country

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,2	0,0
Housing (excluding interest rate on mortgage bonds)	0,4	0,0
Fuel and power	0,1	0,0
Transport	-0,1	-0,2
<b>All groups</b>	<b>0,2</b>	<b>-0,2</b>

Table 4.7 - Contributions of different groups to the annual percentage change in the Core index for the total country

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,1	-0,1
Non-alcoholic beverages	0,1	0,1
Alcoholic beverages	0,2	0,2
Cigarettes, cigars and tobacco	0,1	0,1
Clothing and footwear	-0,2	-0,2
Housing	0,4	0,4
Fuel and power	0,1	0,0
Furniture and equipment	0,1	0,1
Household operation	0,7	0,6
Medical care and health expenses	1,1	1,1
Transport	1,0	0,5
Communication	0,1	0,1
Recreation and entertainment	-0,1	-0,1
Education	0,5	0,5
Personal care	0,2	0,2
<b>All groups</b>	<b>4,2</b>	<b>3,5</b>

Table 4.8 - Contributions of different groups to the monthly percentage change in the Core index for the total country

Group	Contribution at July 2004	Contribution at August 2004
Food	-0,1	0,0
Housing	0,3	0,0
Fuel and power	0,1	0,0
Medical care and health expenses	0,1	0,0
Transport	-0,2	-0,2
<b>All groups</b>	<b>0,2</b>	<b>-0,2</b>

Table 4.9 - Consumer Price Index group and product indices and percentage change for the total country

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
CPI: All items	100,00	124,6	126,1	125,9	-0,2	+1,0
Expenditure groups - Very low	2,63	132,2	133,5	132,7	-0,6	+0,4
Low	3,83	131,0	132,7	132,1	-0,5	+0,8
Middle	10,46	129,1	131,6	131,3	-0,2	+1,7
High	17,62	127,4	130,6	130,5	-0,1	+2,4
Very high	65,46	122,7	123,8	123,5	-0,2	+0,7
Commodities	61,89	126,1	129,1	128,5	-0,5	+1,9
Services	38,11	122,4	121,7	121,8	+0,1	-0,5
CPI: All items, excluding housing	81,38	124,6	128,5	128,1	-0,3	+2,8
CPI: All items, excluding food	74,56	121,4	123,0	122,7	-0,2	+1,1
Food	25,44	134,3	135,6	135,4	-0,1	+0,8
Expenditure groups - Very low	57,58	137,8	135,8	134,6	-0,9	-2,3
Low	54,91	137,3	136,2	135,3	-0,7	-1,5
Middle	46,50	135,9	136,2	135,6	-0,4	-0,2
High	34,28	134,4	136,1	135,9	-0,1	+1,1
Very high	16,68	132,6	134,9	135,1	+0,1	+1,9
Processed	13,78	134,6	136,6	136,8	+0,1	+1,6
Unprocessed	11,66	134,1	134,4	133,8	-0,4	-0,2
Grain products	5,44	135,6	130,3	130,1	-0,2	-4,1
Meat	6,44	131,3	137,4	138,4	+0,7	+5,4
Fish and other seafood	0,72	137,0	138,1	138,4	+0,2	+1,0
Milk, cheese and eggs	2,20	145,7	148,8	147,6	-0,8	+1,3
Fats and oils	0,93	138,6	142,7	141,8	-0,6	+2,3
Fruit and nuts	1,16	128,4	134,4	133,7	-0,5	+4,1
Vegetables	2,42	131,8	127,5	124,9	-2,0	-5,2
Sugar	0,85	134,3	133,3	132,2	-0,8	-1,6
Coffee, tea and cocoa	1,27	123,0	121,3	121,2	-0,1	-1,5
Other	4,01	136,3	140,3	140,4	+0,1	+3,0
Non-alcoholic beverages	1,16	132,8	139,0	139,0	0,0	+4,7
Alcoholic beverages	1,62	130,5	143,4	143,6	+0,1	+10,0
Cigarettes, cigars and tobacco	1,24	143,3	152,0	152,0	0,0	+6,1
Clothing and footwear	3,87	101,9	97,5	96,7	-0,8	-5,1
Clothing	2,41	102,0	97,9	96,7	-1,2	-5,2
Footwear	1,46	101,8	97,0	96,9	-0,1	-4,8
Housing	18,62	125,8	116,8	117,0	+0,2	-7,0
Fuel and power	4,08	121,2	128,2	128,1	-0,1	+5,7
Furniture and equipment	2,94	115,3	116,6	116,5	-0,1	+1,0
Furniture	1,14	118,0	121,2	121,3	+0,1	+2,8
Appliances	0,85	118,5	117,5	117,3	-0,2	-1,0
Other household equipment and textiles	0,95	109,0	110,3	109,7	-0,5	+0,6
Household operation	4,75	122,1	133,0	133,1	+0,1	+9,0
Household consumables	1,54	131,6	135,1	135,9	+0,6	+3,3
Domestic workers	3,08	118,0	132,9	132,6	-0,2	+12,4
Other household services	0,13	107,5	111,4	111,5	+0,1	+3,7
Medical care and health expenses	6,46	131,6	145,3	144,8	-0,3	+10,0
Transport	13,22	116,4	121,5	119,7	-1,5	+2,8
Vehicles	4,81	117,6	117,1	117,2	+0,1	-0,3
Running cost	6,22	119,8	130,5	126,7	-2,9	+5,8
Public and hired transport	2,19	104,2	105,5	105,5	0,0	+1,2
Communication	2,71	121,3	123,9	124,9	+0,8	+3,0
Recreation and entertainment	2,83	101,5	97,0	96,9	-0,1	-4,5
Reading matter	0,34	117,6	122,1	122,2	+0,1	+3,9
Education	3,22	133,5	145,5	145,5	0,0	+9,0
Personal care	4,04	128,5	132,1	132,4	+0,2	+3,0
Other	3,46	105,8	100,3	100,3	0,0	-5,2

Table 4.10 - Consumer Price Index, excluding interest rates on mortgage bonds (CPIX), group and product indices and percentage change for the total country

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
CPI: All items	100,00	126,6	131,1	130,8	-0,2	+3,3
Expenditure groups - Very low	2,90	132,4	133,7	132,9	-0,6	+0,4
Low	4,19	131,2	132,9	132,4	-0,4	+0,9
Middle	11,36	129,3	131,9	131,6	-0,2	+1,8
High	18,55	128,0	132,0	131,9	-0,1	+3,0
Very high	63,00	125,3	130,6	130,3	-0,2	+4,0
Commodities	68,04	126,3	129,2	128,6	-0,5	+1,8
Services	31,96	127,7	135,6	135,8	+0,1	+6,3
CPI: All items, excluding housing	89,47	124,6	128,5	128,1	-0,3	+2,8
CPI: All items, excluding food	72,04	123,8	129,5	129,2	-0,2	+4,4
Food	27,96	134,3	135,6	135,4	-0,1	+0,8
Expenditure groups - Very low	57,67	137,8	135,8	134,6	-0,9	-2,3
Low	55,10	137,3	136,2	135,3	-0,7	-1,5
Middle	47,07	135,9	136,2	135,6	-0,4	-0,2
High	35,80	134,4	136,1	135,9	-0,1	+1,1
Very high	19,05	132,6	134,9	135,1	+0,1	+1,9
Processed	15,15	134,6	136,6	136,8	+0,1	+1,6
Unprocessed	12,81	134,1	134,4	133,8	-0,4	-0,2
Grain products	5,99	135,6	130,3	130,1	-0,2	-4,1
Meat	7,07	131,3	137,4	138,4	+0,7	+5,4
Fish and other seafood	0,79	137,0	138,1	138,4	+0,2	+1,0
Milk, cheese and eggs	2,42	145,7	148,8	147,6	-0,8	+1,3
Fats and oils	1,02	138,6	142,7	141,8	-0,6	+2,3
Fruit and nuts	1,27	128,4	134,4	133,7	-0,5	+4,1
Vegetables	2,66	131,8	127,5	124,9	-2,0	-5,2
Sugar	0,93	134,3	133,3	132,2	-0,8	-1,6
Coffee, tea and cocoa	1,40	123,0	121,3	121,2	-0,1	-1,5
Other	4,41	136,3	140,3	140,4	+0,1	+3,0
Non-alcoholic beverages	1,28	132,8	139,0	139,0	0,0	+4,7
Alcoholic beverages	1,78	130,5	143,4	143,6	+0,1	+10,0
Cigarettes, cigars and tobacco	1,36	143,3	152,0	152,0	0,0	+6,1
Clothing and footwear	4,26	102,7	97,4	96,6	-0,8	-5,9
Clothing	2,65	103,2	97,7	96,5	-1,2	-6,5
Footwear	1,61	101,8	97,0	96,9	-0,1	-4,8
Housing	10,53	145,1	154,5	154,8	+0,2	+6,7
Fuel and power	4,48	121,2	128,2	128,1	-0,1	+5,7
Furniture and equipment	3,23	115,3	116,7	116,5	-0,2	+1,0
Furniture	1,26	118,0	121,2	121,3	+0,1	+2,8
Appliances	0,93	118,6	117,5	117,4	-0,1	-1,0
Other household equipment and textiles	1,04	109,0	110,3	109,7	-0,5	+0,6
Household operation	5,22	122,1	133,0	133,1	+0,1	+9,0
Household consumables	1,70	131,6	135,1	135,9	+0,6	+3,3
Domestic workers	3,38	118,0	132,9	132,6	-0,2	+12,4
Other household services	0,14	107,5	111,4	111,5	+0,1	+3,7
Medical care and health expenses	7,11	131,6	145,3	144,8	-0,3	+10,0
Transport	14,53	116,9	122,0	120,3	-1,4	+2,9
Vehicles	5,29	117,6	117,2	117,2	0,0	-0,3
Running cost	6,83	120,8	131,6	127,9	-2,8	+5,9
Public and hired transport	2,41	104,2	105,5	105,5	0,0	+1,2
Communication	2,98	121,3	123,9	124,9	+0,8	+3,0
Recreation and entertainment	3,11	101,7	97,2	97,1	-0,1	-4,5
Reading matter	0,38	117,8	122,5	122,6	+0,1	+4,1
Education	3,54	133,5	145,5	145,5	0,0	+9,0
Personal care	4,44	128,5	132,1	132,4	+0,2	+3,0
Other	3,81	106,0	100,2	100,3	+0,1	-5,4



Table 4.11 - Consumer Price Index group and product indices according to COICOP<sup>1)</sup> and percentage change for the total country

Group/Product	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
		CPI: All items	100,00	124,6	126,1	125,9
Expenditure groups - Very low	2,63	132,2	133,5	132,7	-0,6	+0,4
Low	3,83	131,0	132,7	132,1	-0,5	+0,8
Middle	10,46	129,1	131,6	131,3	-0,2	+1,7
High	17,62	127,4	130,6	130,5	-0,1	+2,4
Very high	65,46	122,7	123,8	123,5	-0,2	+0,7
Commodities	61,89	126,1	129,1	128,5	-0,5	+1,9
Services	38,11	122,4	121,7	121,8	+0,1	-0,5
CPI: All items, excluding housing	81,38	124,6	128,5	128,1	-0,3	+2,8
CPI: All items, excluding food	75,83	121,4	123,0	122,7	-0,2	+1,1
Food, beverages and tobacco	29,46	134,6	137,1	136,9	-0,1	+1,7
Food excluding coffee, tea and cocoa	24,17	134,5	135,8	135,6	-0,1	+0,8
Grain products	5,44	135,6	130,3	130,1	-0,2	-4,1
Meat	6,44	131,3	137,4	138,4	+0,7	+5,4
Fish and other seafood	0,72	137,0	138,1	138,4	+0,2	+1,0
Milk, cheese and eggs	2,20	145,7	148,8	147,6	-0,8	+1,3
Fats and oils	0,93	138,6	142,7	141,8	-0,6	+2,3
Fruit and nuts	1,16	128,4	134,4	133,7	-0,5	+4,1
Vegetables	2,42	131,8	127,5	124,9	-2,0	-5,2
Sugar	0,85	134,3	133,3	132,2	-0,8	-1,6
Other	4,01	136,3	140,3	140,4	+0,1	+3,0
Beverages	4,05	129,0	135,5	135,6	+0,1	+5,1
Coffee, tea and cocoa	1,27	123,0	121,3	121,2	-0,1	-1,5
Non-alcoholic beverages	1,16	132,8	139,0	139,0	0,0	+4,7
Alcoholic beverages	1,62	130,5	143,4	143,6	+0,1	+10,0
Tobacco						
Cigarettes, cigars and tobacco	1,24	143,3	152,0	152,0	0,0	+6,1
Clothing and footwear	3,87	101,9	97,5	96,7	-0,8	-5,1
Clothing	2,41	102,0	97,9	96,7	-1,2	-5,2
Footwear	1,46	101,8	97,0	96,9	-0,1	-4,8
Housing, water, electricity, gas and other fuels	22,70	125,1	118,8	119,0	+0,2	-4,9
Housing	18,62	125,8	116,8	117,0	+0,2	-7,0
Fuel and power	4,08	121,2	128,2	128,1	-0,1	+5,7
Furnishings, household equipment and routine maintenance of the house	7,69	118,9	126,0	126,0	0,0	+6,0
Furniture and equipment	2,94	115,3	116,6	116,5	-0,1	+1,0
Furniture	1,14	118,0	121,2	121,3	+0,1	+2,8
Appliances	0,85	118,5	117,5	117,3	-0,2	-1,0
Other household equipment and textiles	0,95	109,0	110,3	109,7	-0,5	+0,6
Household operation	4,75	122,1	133,0	133,1	+0,1	+9,0
Household consumables	1,54	131,6	135,1	135,9	+0,6	+3,3
Domestic workers	3,08	118,0	132,9	132,6	-0,2	+12,4
Other household services	0,13	107,5	111,4	111,5	+0,1	+3,7
Health (Medical care and health expenses)	6,46	131,6	145,3	144,8	-0,3	+10,0
Transport	13,22	116,4	121,5	119,7	-1,5	+2,8
Vehicles	4,81	117,6	117,1	117,2	+0,1	-0,3
Running cost	6,22	119,8	130,5	126,7	-2,9	+5,8
Public and hired transport	2,19	104,2	105,5	105,5	0,0	+1,2
Leisure, entertainment and culture	3,17	105,4	102,0	101,8	-0,2	-3,4
Recreation and entertainment	2,83	101,5	97,0	96,9	-0,1	-4,5
Reading matter	0,34	117,6	122,1	122,2	+0,1	+3,9
Education	3,22	133,5	145,5	145,5	0,0	+9,0
Miscellaneous goods and services	10,21	114,9	114,7	115,1	+0,3	+0,2
Communication	2,71	121,3	123,9	124,9	+0,8	+3,0
Personal care	4,04	128,5	132,1	132,4	+0,2	+3,0
Other	3,46	105,8	100,3	100,3	0,0	-5,2

1) COICOP = Classification of individual consumption by purpose

Table 4.12 - Consumer Price Index and percentage change according to area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
Western Cape (Province)	15,35	125,3	126,9	126,8	-0,1	+1,2
Western Cape (excluding rural)	14,55	124,0	125,5	125,4	-0,1	+1,1
Cape Peninsula	9,81	123,3	124,1	124,0	-0,1	+0,6
Other urban areas	4,74	124,8	127,6	127,5	-0,1	+2,2
Rural areas	0,80	127,3	131,3	131,3	0,0	+3,1
Eastern Cape (Province)	10,95	126,0	128,4	128,0	-0,3	+1,6
Eastern Cape (excluding rural)	4,46	124,6	126,9	126,6	-0,2	+1,6
Port Elizabeth/Uitenhage	1,88	124,1	126,1	125,8	-0,2	+1,4
East London	0,91	124,5	126,1	125,9	-0,2	+1,1
Other urban areas	1,67	125,2	128,1	127,8	-0,2	+2,1
Rural areas	6,49	127,0	129,5	129,0	-0,4	+1,6
Northern Cape (Province)	2,13	125,9	128,3	128,2	-0,1	+1,8
Northern Cape (excluding rural)	0,83	125,4	127,1	127,0	-0,1	+1,3
Kimberley	0,34	126,9	127,3	127,2	-0,1	+0,2
Other urban areas	0,49	125,3	127,8	127,7	-0,1	+1,9
Rural areas	1,30	126,1	129,0	128,9	-0,1	+2,2
Free State (Province)	4,94	118,9	119,4	118,8	-0,5	-0,1
Free State (excluding rural)	3,94	119,2	120,8	120,2	-0,5	+0,8
Bloemfontein	1,31	119,9	121,5	121,0	-0,4	+0,9
Free State Goldfields	1,00	120,4	122,2	121,7	-0,4	+1,1
Other urban areas	1,63	117,8	119,4	118,7	-0,6	+0,8
Rural areas	1,00	116,4	112,5	111,9	-0,5	-3,9
KwaZulu-Natal (Province)	18,89	125,5	126,1	125,8	-0,2	+0,2
KwaZulu-Natal (excluding rural)	16,90	124,3	125,1	124,9	-0,2	+0,5
Durban/Pinetown	5,94	124,1	125,5	125,2	-0,2	+0,9
Pietermaritzburg	1,11	125,0	126,2	125,8	-0,3	+0,6
Other urban areas	9,85	124,1	124,6	124,3	-0,2	+0,2
Rural areas	1,99	132,4	131,0	130,5	-0,4	-1,4
North West (Province)	3,70	123,9	123,9	122,9	-0,8	-0,8
North West (excluding rural)	2,16	124,5	124,3	123,4	-0,7	-0,9
Gauteng (Province)	36,39	124,8	126,6	126,5	-0,1	+1,4
Gauteng (excluding rural)	35,47	122,5	124,3	124,1	-0,2	+1,3
Pretoria/Centurion/Akasia	9,18	121,2	124,1	123,8	-0,2	+2,1
Witwatersrand	20,25	123,2	124,3	124,1	-0,2	+0,7
Other urban areas	6,04	122,8	125,2	125,3	+0,1	+2,0
Rural areas	0,92	125,0	127,8	127,7	-0,1	+2,2
Mpumalanga (Province)	4,29	126,3	128,5	128,1	-0,3	+1,4
Mpumalanga (excluding rural)	2,99	126,2	127,6	127,3	-0,2	+0,9
Nelspruit/Witbank	0,92	125,8	124,1	123,7	-0,3	-1,7
Other urban areas	2,07	126,5	129,3	129,0	-0,2	+2,0
Rural areas	1,30	129,3	133,5	133,0	-0,4	+2,9
Limpopo Province	3,36	122,8	124,0	123,4	-0,5	+0,5
Limpopo Province (excl. rural)	1,22	121,7	122,2	121,9	-0,2	+0,2
Polokwane (Pietersburg)	0,17	117,7	116,5	116,2	-0,3	-1,3
Other urban areas	1,05	122,6	124,7	124,3	-0,3	+1,4
Rural areas	2,14	124,5	126,2	125,5	-0,6	+0,8
CPI for the historical metropolitan areas	52,83	122,9	124,3	124,1	-0,2	+1,0
CPI for the historical metropolitan and other urban areas	82,52	123,2	124,8	124,6	-0,2	+1,1
CPI for the rural areas	17,48	126,2	127,7	127,2	-0,4	+0,8
CPI for the total country	100,00	124,6	126,1	125,9	-0,2	+1,0

Table 4.13 - Food price index and percentage change according to area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
Western Cape (Province)	14,79	131,5	133,4	133,7	+0,2	+1,7
Western Cape (excluding rural)	13,46	130,9	132,8	133,1	+0,2	+1,7
Cape Peninsula	8,17	131,9	133,8	134,4	+0,4	+1,9
Other urban areas	5,29	131,2	133,2	133,1	-0,1	+1,4
Rural areas	1,33	130,6	132,4	132,3	-0,1	+1,3
Eastern Cape (Province)	12,43	142,0	143,6	143,1	-0,3	+0,8
Eastern Cape (excluding rural)	4,19	136,9	139,2	139,2	0,0	+1,7
Port Elizabeth/Uitenhage	1,72	135,9	139,3	139,6	+0,2	+2,7
East London	0,57	135,6	135,2	135,9	+0,5	+0,2
Other urban areas	1,90	139,4	141,6	141,2	-0,3	+1,3
Rural areas	8,24	143,5	144,8	144,0	-0,6	+0,3
Northern Cape (Province)	2,36	130,0	132,1	131,8	-0,2	+1,4
Northern Cape (excluding rural)	0,91	129,6	131,5	131,3	-0,2	+1,3
Kimberley	0,33	132,2	133,6	133,6	0,0	+1,1
Other urban areas	0,58	129,9	132,1	131,8	-0,2	+1,5
Rural areas	1,45	129,8	132,1	131,7	-0,3	+1,5
Free State (Province)	4,48	131,0	132,5	131,2	-1,0	+0,2
Free State (excluding rural)	3,71	130,6	132,4	131,3	-0,8	+0,5
Bloemfontein	1,14	138,7	143,3	142,5	-0,6	+2,7
Free State Goldfields	0,79	129,4	130,1	129,6	-0,4	+0,2
Other urban areas	1,78	128,3	129,0	127,4	-1,2	-0,7
Rural areas	0,77	128,8	128,5	126,4	-1,6	-1,9
KwaZulu-Natal (Province)	20,28	138,4	136,8	137,1	+0,2	-0,9
KwaZulu-Natal (excluding rural)	16,08	139,2	138,9	139,5	+0,4	+0,2
Durban/Pinetown	5,11	139,1	139,2	140,3	+0,8	+0,9
Pietermaritzburg	1,26	136,9	136,4	137,1	+0,5	+0,1
Other urban areas	9,71	139,4	138,9	139,2	+0,2	-0,1
Rural areas	4,20	141,5	135,1	134,6	-0,4	-4,9
North West (Province)	4,34	134,8	133,1	129,7	-2,6	-3,8
North West (excluding rural)	2,06	135,1	134,7	131,8	-2,2	-2,4
Gauteng (Province)	31,77	129,8	132,4	132,5	+0,1	+2,1
Gauteng (excluding rural)	31,02	129,7	132,4	132,4	0,0	+2,1
Pretoria/Centurion/Akasia	6,19	129,0	131,5	131,7	+0,2	+2,1
Witwatersrand	17,94	129,8	132,2	132,0	-0,2	+1,7
Other urban areas	6,89	130,6	134,1	134,7	+0,4	+3,1
Rural areas	0,75	131,6	134,9	135,6	+0,5	+3,0
Mpumalanga (Province)	4,75	141,3	145,7	145,1	-0,4	+2,7
Mpumalanga (excluding rural)	2,75	140,3	145,4	145,2	-0,1	+3,5
Nelspruit/Witbank	0,68	136,2	138,9	138,8	-0,1	+1,9
Other urban areas	2,07	141,9	147,7	147,4	-0,2	+3,9
Rural areas	2,00	143,0	146,6	145,6	-0,7	+1,8
Limpopo Province	4,80	134,3	134,3	133,4	-0,7	-0,7
Limpopo Province (excl. rural)	1,14	137,6	139,1	138,6	-0,4	+0,7
Polokwane (Pietersburg)	0,10	140,8	143,1	142,4	-0,5	+1,1
Other urban areas	1,04	136,5	137,5	137,1	-0,3	+0,4
Rural areas	3,66	133,0	132,2	131,1	-0,8	-1,4
CPI for the historical metropolitan areas	44,03	131,8	133,7	133,9	+0,1	+1,6
CPI for the historical metropolitan and other urban areas	75,32	132,6	134,4	134,5	+0,1	+1,4
CPI for the rural areas	14,68	138,4	138,0	137,0	-0,7	-1,0
CPI for the total country	100,00	134,3	135,6	135,4	-0,1	+0,8

Table 4.14 - Consumer Price Index excluding housing and percentage change according to areas

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
Western Cape (Province)	13,25	124,6	127,9	127,7	-0,2	+2,5
Western Cape (excluding rural)	12,45	123,2	127,2	127,0	-0,2	+3,1
Cape Peninsula	8,12	123,2	127,1	126,9	-0,2	+3,0
Other urban areas	4,33	123,9	128,0	127,8	-0,2	+3,1
Rural areas	0,80	126,1	129,4	129,3	-0,1	+2,5
Eastern Cape (Province)	10,33	127,4	131,9	131,5	-0,3	+3,2
Eastern Cape (excluding rural)	4,26	125,2	130,6	130,3	-0,2	+4,1
Port Elizabeth/Uitenhage	1,60	125,9	132,0	131,6	-0,3	+4,5
East London	1,16	124,7	129,8	129,6	-0,2	+3,9
Other urban areas	1,50	125,9	131,0	130,7	-0,2	+3,8
Rural areas	6,07	128,7	133,2	132,7	-0,4	+3,1
Northern Cape (Province)	12,40	126,0	129,9	129,9	0,0	+3,1
Northern Cape (excluding rural)	0,52	124,2	127,9	127,9	0,0	+3,0
Kimberley	0,08	125,6	129,6	129,5	-0,1	+3,1
Other urban areas	0,44	124,4	128,2	128,2	0,0	+3,1
Rural areas	11,88	126,1	130,2	130,2	0,0	+3,3
Free State (Province)	4,51	118,0	119,8	119,1	-0,6	+0,9
Free State (excluding rural)	3,51	117,9	121,5	120,8	-0,6	+2,5
Bloemfontein	1,05	119,8	124,6	124,0	-0,5	+3,5
Free State Goldfields	0,91	119,6	122,5	121,9	-0,5	+1,9
Other urban areas	1,55	116,4	119,5	118,7	-0,7	+2,0
Rural areas	1,00	115,2	110,6	109,9	-0,6	-4,6
KwaZulu-Natal (Province)	16,85	127,3	129,6	129,5	-0,1	+1,7
KwaZulu-Natal (excluding rural)	14,73	125,8	129,0	128,9	-0,1	+2,5
Durban/Pinetown	5,11	124,9	129,0	129,0	0,0	+3,3
Pietermaritzburg	0,98	125,5	129,1	128,8	-0,2	+2,6
Other urban areas	8,64	126,3	128,7	128,6	-0,1	+1,8
Rural areas	2,12	132,5	130,7	130,4	-0,2	-1,6
North West (Province)	3,46	127,2	128,6	127,4	-0,9	+0,2
North West (excluding rural)	1,88	126,9	129,1	128,1	-0,8	+0,9
Gauteng (Province)	31,81	122,6	127,7	127,2	-0,4	+3,8
Gauteng (excluding rural)	30,96	122,0	127,2	126,7	-0,4	+3,9
Pretoria/Centurion/Akasia	8,13	120,8	126,6	126,0	-0,5	+4,3
Witwatersrand	17,35	122,4	127,6	127,1	-0,4	+3,8
Other urban areas	5,48	122,3	126,9	126,8	-0,1	+3,7
Rural areas	0,85	122,8	127,5	127,2	-0,2	+3,6
Mpumalanga (Province)	4,03	128,0	132,6	132,2	-0,3	+3,3
Mpumalanga (excluding rural)	2,66	127,9	132,9	132,6	-0,2	+3,7
Nelspruit/Witbank	0,75	126,2	130,6	130,1	-0,4	+3,1
Other urban areas	1,91	128,7	134,0	133,7	-0,2	+3,9
Rural areas	1,37	129,4	133,5	132,9	-0,4	+2,7
Limpopo Province	3,36	123,2	125,8	125,2	-0,5	+1,6
Limpopo Province (excl. rural)	1,11	120,4	124,4	124,1	-0,2	+3,1
Polokwane (Pietersburg)	0,12	119,1	124,1	123,7	-0,3	+3,9
Other urban areas	0,99	121,1	124,6	124,2	-0,3	+2,6
Rural areas	2,25	124,5	126,5	125,7	-0,6	+1,0
CPI for the historical metropolitan areas	45,38	122,8	127,6	127,2	-0,3	+3,6
CPI for the historical metropolitan and other urban areas	72,08	123,3	127,7	127,3	-0,3	+3,2
CPI for the rural areas	27,92	126,7	128,5	128,0	-0,4	+1,0
CPI for the total country	100,00	124,6	128,5	128,1	-0,3	+2,8

Table 4.15 - Consumer Price Index excluding food and percentage change according to area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
Western Cape (Province)	15,46	123,4	124,9	124,7	-0,2	+1,1
Western Cape (excluding rural)	14,84	122,4	123,8	123,6	-0,2	+1,0
Cape Peninsula	10,31	121,5	122,1	121,8	-0,2	+0,2
Other urban areas	4,53	123,0	126,2	126,1	-0,1	+2,5
Rural areas	0,62	124,9	130,5	130,6	+0,1	+4,6
Eastern Cape (Province)	10,39	118,5	121,3	121,0	-0,2	+2,1
Eastern Cape (excluding rural)	4,52	121,1	123,4	123,0	-0,3	+1,6
Port Elizabeth/Uitenhage	1,93	121,3	122,3	121,8	-0,4	+0,4
East London	1,01	122,9	124,8	124,4	-0,3	+1,2
Other urban areas	1,58	121,0	124,4	124,1	-0,2	+2,6
Rural areas	5,87	119,2	122,3	122,0	-0,2	+2,3
Northern Cape (Province)	2,50	124,4	126,9	126,9	0,0	+2,0
Northern Cape (excluding rural)	1,26	124,1	125,8	125,7	-0,1	+1,3
Kimberley	0,80	124,6	124,5	124,4	-0,1	-0,2
Other urban areas	0,46	123,7	126,6	126,5	-0,1	+2,3
Rural areas	1,24	124,7	127,7	127,8	+0,1	+2,5
Free State (Province)	5,08	115,3	115,5	115,1	-0,3	-0,2
Free State (excluding rural)	4,01	115,6	117,1	116,7	-0,3	+1,0
Bloemfontein	1,36	115,5	116,4	115,9	-0,4	+0,3
Free State Goldfields	1,07	118,0	120,1	119,5	-0,5	+1,3
Other urban areas	1,58	114,5	116,3	115,9	-0,3	+1,2
Rural areas	1,07	113,4	108,7	108,4	-0,3	-4,4
KwaZulu-Natal (Province)	18,33	120,0	121,5	121,0	-0,4	+0,8
KwaZulu-Natal (excluding rural)	17,09	120,6	121,8	121,2	-0,5	+0,5
Durban/Pinetown	6,19	120,9	121,8	121,2	-0,5	+0,2
Pietermaritzburg	1,05	121,4	123,3	122,5	-0,6	+0,9
Other urban areas	9,85	120,2	121,0	120,4	-0,5	+0,2
Rural areas	1,24	122,2	126,2	125,9	-0,2	+3,0
North West (Province)	3,46	119,4	120,2	120,0	-0,2	+0,5
North West (excluding rural)	2,18	121,9	121,9	121,7	-0,2	-0,2
Gauteng (Province)	37,78	123,5	125,1	124,9	-0,2	+1,1
Gauteng (excluding rural)	36,81	120,8	122,4	122,1	-0,2	+1,1
Pretoria/Centurion/Akasia	10,15	119,7	122,6	122,2	-0,3	+2,1
Witwatersrand	20,93	121,8	122,6	122,5	-0,1	+0,6
Other urban areas	5,73	121,4	123,8	123,7	-0,1	+1,9
Rural areas	0,97	123,2	125,9	125,6	-0,2	+1,9
Mpumalanga (Province)	4,12	119,4	120,8	120,5	-0,2	+0,9
Mpumalanga (excluding rural)	3,06	122,4	122,7	122,4	-0,2	0,0
Nelspruit/Witbank	1,00	123,5	120,8	120,4	-0,3	-2,5
Other urban areas	2,06	122,4	124,1	123,8	-0,2	+1,1
Rural areas	1,06	120,6	125,2	125,0	-0,2	+3,6
Limpopo Province	2,88	116,2	118,0	117,7	-0,3	+1,3
Limpopo Province (excl. rural)	1,25	117,9	118,2	117,9	-0,3	0,0
Polokwane (Pietersburg)	0,20	113,4	111,4	111,2	-0,2	-1,9
Other urban areas	1,05	119,3	121,8	121,4	-0,3	+1,8
Rural areas	1,63	118,0	121,7	121,2	-0,4	+2,7
CPI for the historical metropolitan areas	56,01	121,0	122,2	121,9	-0,2	+0,7
CPI for the historical metropolitan and other urban areas	85,02	120,9	122,3	122,0	-0,2	+0,9
CPI for the rural areas	14,98	117,4	120,4	120,3	-0,1	+2,5
CPI for the total country	100,00	121,4	123,0	122,7	-0,2	+1,1

Table 4.16 - Consumer Price Index for pensioners and percentage change according to area

Urban area	Weights	Indices (2000=100)			Percentage change between	
		Aug 2003	Jul 2004	Aug 2004	Jul 2004 and Aug 2004	Aug 2003 and Aug 2004
Western Cape (Province)	15,82	126,9	131,0	130,9	-0,1	+3,2
Western Cape (excluding rural)	15,04	125,8	129,8	129,8	0,0	+3,2
Cape Peninsula	9,44	125,3	129,3	129,2	-0,1	+3,1
Other urban areas	5,60	126,5	130,6	130,5	-0,1	+3,2
Rural areas	0,78	127,0	130,9	130,9	0,0	+3,1
Eastern Cape (Province)	14,58	130,1	133,1	132,5	-0,5	+1,8
Eastern Cape (excluding rural)	4,58	126,9	130,1	129,8	-0,2	+2,3
Port Elizabeth/Uitenhage	2,30	127,4	128,0	127,8	-0,2	+0,3
East London	0,47	126,9	136,1	135,6	-0,4	+6,9
Other urban areas	1,81	127,2	132,0	131,6	-0,3	+3,5
Rural areas	10,00	131,2	134,2	133,4	-0,6	+1,7
Northern Cape (Province)	2,55	129,5	133,9	133,7	-0,1	+3,2
Northern Cape (excluding rural)	1,18	128,2	132,4	132,2	-0,2	+3,1
Kimberley	0,52	127,7	131,8	131,8	0,0	+3,2
Other urban areas	0,66	128,3	132,6	132,3	-0,2	+3,1
Rural areas	1,37	129,7	134,2	134,0	-0,1	+3,3
Free State (Province)	4,51	121,4	124,0	123,3	-0,6	+1,6
Free State (excluding rural)	4,13	120,3	123,1	122,4	-0,6	+1,7
Bloemfontein	1,38	117,1	121,9	121,4	-0,4	+3,7
Free State Goldfields	0,65	122,6	124,0	123,5	-0,4	+0,7
Other urban areas	2,10	119,9	121,5	120,8	-0,6	+0,8
Rural areas	0,38	121,9	123,4	122,3	-0,9	+0,3
KwaZulu-Natal (Province)	21,14	127,6	129,5	129,3	-0,2	+1,3
KwaZulu-Natal (excluding rural)	17,10	126,4	129,4	129,2	-0,2	+2,2
Durban/Pinetown	5,29	126,1	130,6	130,5	-0,1	+3,5
Pietermaritzburg	1,05	125,7	129,9	129,6	-0,2	+3,1
Other urban areas	10,76	126,6	128,8	128,5	-0,2	+1,5
Rural areas	4,04	134,7	132,1	131,7	-0,3	-2,2
North West (Province)	3,70	127,6	128,3	126,9	-1,1	-0,5
North West (excluding rural)	1,81	126,8	128,8	127,6	-0,9	+0,6
Gauteng (Province)	28,57	124,7	129,1	128,9	-0,2	+3,4
Gauteng (excluding rural)	28,34	124,3	128,7	128,5	-0,2	+3,4
Pretoria/Centurion/Akasia	8,54	122,3	128,1	128,0	-0,1	+4,7
Witwatersrand	12,11	125,4	129,2	128,8	-0,3	+2,7
Other urban areas	7,69	124,3	128,1	128,1	0,0	+3,1
Rural areas	0,23	124,6	127,5	127,6	+0,1	+2,4
Mpumalanga (Province)	3,55	129,8	133,7	133,3	-0,3	+2,7
Mpumalanga (excluding rural)	1,82	129,8	134,1	133,8	-0,2	+3,1
Nelspruit/Witbank	0,20	130,7	135,9	135,4	-0,4	+3,6
Other urban areas	1,62	129,7	133,8	133,6	-0,1	+3,0
Rural areas	1,73	130,3	133,8	133,2	-0,4	+2,2
Limpopo Province	5,58	124,9	126,9	126,1	-0,6	+1,0
Limpopo Province (excl. rural)	1,21	123,4	126,7	126,1	-0,5	+2,2
Polokwane (Pietersburg)	0,20	128,0	132,2	131,7	-0,4	+2,9
Other urban areas	1,01	123,0	126,1	125,5	-0,5	+2,0
Rural areas	4,37	125,2	126,7	125,9	-0,6	+0,6
CPI for the historical metropolitan areas	42,16	124,8	129,1	128,8	-0,2	+3,2
CPI for the historical metropolitan and other urban areas	75,21	125,3	129,0	128,8	-0,2	+2,8
CPI for the rural areas	24,79	129,9	131,5	130,8	-0,5	+0,7
CPI for the total country	100,00	127,0	130,3	129,9	-0,3	+2,3

**EXPLANATORY NOTES**

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|---|----|---|
| <b>Introduction</b>   | 1  | 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.  |
|   | 2  | The indices are classified according to the International Trade Classification (as indicated in tables 3.1 – 3.10 and 4.1 – 4.10) and geographical areas (as indicated in tables 4.12 – 4.16). 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 3.11 and 4.11 is classified according to COICOP. The indices are calculated on the base 2000=100. |
|   | 3  | The Consumer Price Index (CPI) is a series of figures (numbers) showing how the average price level of all those goods and services (basket of goods and services) bought by a typical consumer or household changes over time. The inflation rate is the annual percentage change in the CPI.  |
| <b>Survey of Income and Expenditure of Households (IES)</b> | 4  | Stats SA conducts a Survey of Income and Expenditure of Households every five years. This survey is conducted by enumerators visiting a number of households throughout South Africa to obtain details on income and expenditure of households. The information obtained through this survey is weighted according to the Population Census figures in order to represent all households in South Africa.   |
|   | 5  | Every five years the results from this survey are used to identify the goods and services bought by a typical consumer or household and which should be included in the basket of goods and services used to monitor price changes.   |
|   | 6  | 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.  |
| <b>2000 Survey of Income and Expenditure of Households</b>  | 7  | 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.   |
|   | 8  | 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.  |
|   | 9  | Based on the above-mentioned information for 2000 (see paragraphs 7 and 8), the new weight for a specific product/group was calculated by dividing total expenditure by all households in South Africa on the specific product/group by total expenditure on all goods and services by all households in South Africa. Stats SA implemented the new weights, i.e. the 2000 weights based on the 2000 Survey of Income and Expenditure of Households, as from the January 2002 CPI publication.  |
| <b>Basket of goods and services</b>                         | 10 | The current CPI basket covers approximately 1 500 goods and services.   |

- 11** These goods and services are grouped according to the International Trade Classification into 17 main groups -
- Food;
  - Non-alcoholic beverages;
  - Alcoholic beverages;
  - Cigarettes, cigars and tobacco;
  - Clothing and Footwear;
  - Housing;
  - Fuel and power;
  - Furniture and equipment;
  - Household operation;
  - Medical care and health expenses;
  - Transport;
  - Communication;
  - Recreation and entertainment;
  - Reading matter;
  - Education;
  - Personal care; and
  - Other.
- 12** 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** **13** 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** **14** Five expenditure group categories or quintiles are defined according to total annual expenditure per household as at October of the year of the Survey of Income and Expenditure of Households. The five expenditure group categories used in this publication were defined according to total annual expenditure per household as at October 2000. These categories are as follows –
- very low expenditure group – up to R8 070;
  - low expenditure group R8 071 up to R12 263;
  - middle expenditure group R12 264 up to R24 365;
  - high expenditure group R24 366 up to R55 159; and
  - very high expenditure group – R55 160 and more.
- Scope of the CPI survey** **15** 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.



**16** 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.
- Newspapers and magazines
- Entrance fees – drive-inns and bioscopes
- Air transport fees
- Cellular phone tariffs
- Furniture and equipment
- Medicine
- Garden Tools
- Washing ironing and dry-cleaning
- Sport equipment
- Reading matter and stationary
- Tariffs of hairdressing services
- Ironware and crockery
- New and retread tyres
- Household textiles
- Electrical appliances and equipment
- Medical, toilet and photographic requisites and services
- Musical instruments
- Prices of pets

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

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

19 Prices of items/products collected annually:

Items/products	Month of survey
<ul style="list-style-type: none"> <li>• Doctor’s and dentist’s fees.</li> <li>• Motor vehicle license and registration fees.</li> <li>• Telephone (land lines)</li> </ul>	<ul style="list-style-type: none"> <li>• January</li> </ul>
<ul style="list-style-type: none"> <li>• Toll-fees at toll-gates.</li> <li>• School funds.</li> <li>• University boarding and class fees.</li> </ul>	<ul style="list-style-type: none"> <li>• March</li> </ul>
<ul style="list-style-type: none"> <li>• Parking fees.</li> <li>• Postal tariffs.</li> </ul>	<ul style="list-style-type: none"> <li>• April</li> </ul>
Public transport	<ul style="list-style-type: none"> <li>• June</li> </ul>
<ul style="list-style-type: none"> <li>• Property taxes.</li> <li>• Refuse removal.</li> <li>• Sanitary fees.</li> </ul>	<ul style="list-style-type: none"> <li>• July</li> </ul>
<ul style="list-style-type: none"> <li>• Maintenance of graves; and</li> </ul>	<ul style="list-style-type: none"> <li>• October</li> </ul>

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

Items/products	Months of survey
<ul style="list-style-type: none"> <li>• Contribution to medical aid</li> </ul>	<ul style="list-style-type: none"> <li>• January, April and July</li> </ul>
<ul style="list-style-type: none"> <li>• Property insurance</li> <li>• Hospital fees</li> </ul>	<ul style="list-style-type: none"> <li>• January and July</li> </ul>
<ul style="list-style-type: none"> <li>• Water</li> </ul>	<ul style="list-style-type: none"> <li>• January, July and August</li> </ul>
<ul style="list-style-type: none"> <li>• Electricity</li> </ul>	
<ul style="list-style-type: none"> <li>• Domestic workers</li> </ul>	<ul style="list-style-type: none"> <li>• February, September</li> </ul>
<ul style="list-style-type: none"> <li>• Television licenses</li> </ul>	<ul style="list-style-type: none"> <li>• April, October</li> </ul>

**Classification**

- 21 The International Trade Classification (ITC) was used to classify the products and services contained in the basket of goods and services.
- 22 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 3.11 and 4.11.

**Statistical unit**

- 23 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**

- 24 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.
- 25 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.

- 26 Thirdly, for each of the 52 sample areas, a retail trade and service outlet sampling frame is constructed, based on available data sources, mainly the business register of Stats SA, telephone directories and lists obtained from the head offices of chain stores. The sample is purposively distributed geographically within areas. Specific retail trade and service outlets are selected randomly within each area. Prices are collected from department stores, as well as specialist shops. The sample of outlets is revised every five years when the weights are revised.
- 27 Currently, an average of 110 000 price quotations are collected each month from approximately 2 200 outlets by means of 6 700 questionnaires. The indices are based on retail trade and service prices.
- Pricing basis** 28 Price information refers to the first seven days of the relevant month. **The prices of all items include VAT.**
- Processing of price information** 29 The prices that are quoted for the different products/services are edited to ensure that it is price comparable with the prices received for the same products in the previous month. If the price information difference between successive periods are outside the specified range, the current price levels are confirmed with the relative respondents through a telephone inquiry.
- Calculating product price indices** 30 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. As no pricing surveys are yet undertaken in the rural areas, the prices monitored in the smaller towns will be used to calculate price relatives for each product.
- Calculating group price indices** 31 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** 32 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** 33 The primary objective of calculating core inflation is to capture the underlying inflation pressures in the economy, i.e. the trend in the general price level which reflects the balance between aggregate demand and supply in the economy over the medium term. Core inflation is a measure designed in relation to the specific structure of a country's economy. Hence in the South African context, the core index is derived by excluding items from the CPI basket on the basis that changes in their prices are highly volatile, subjected to temporary influences, or affected by government intervention and policy.
- 34 Exclusions from the CPI to obtain the core index, and the reasons for exclusion are as follows –
- Fresh and frozen meat and fish: Prices may be highly volatile, particularly during and following periods of drought.
  - Fresh and frozen vegetables and fresh fruit and nuts: Prices may be highly volatile from month to month due to their sensitivity to climatic conditions.
  - Interest rates on mortgage bonds and overdrafts/personal loans: These are excluded due to their "perverse" effect on the CPI. A tightening in monetary policy to counter inflation pressures would cause interest rates to rise and be reflected in the interest cost component of measured inflation. This, in turn, could provoke a further tightening of monetary policy resulting in excessive movements in the inflation rate.
  - Changes in VAT (Value Added Tax): VAT is predominantly determined by government (fiscal policy).
  - Assessment rates: These taxes are predominantly determined by local government.

	35	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
<b>CPI excluding interest rates on mortgage bonds (CPIX)</b>	36	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.
<b>CPI for administered and regulated prices</b>	37	An administered price can be defined as the price of a product, which is set consciously by an individual producer or group of producers and/or any price, which can be determined or influenced by government, either directly, or through one or other government agencies/institutions without reference to market forces.  Regulated prices are those administered prices that are said to be monitored and controlled by government policy. To this end, price regulation does not necessarily imply the presence of an economic regulator, but the restriction on the extent to which prices may vary, depending on government’s policy objective.
<b>Seasonal adjustment</b>	38	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.
<b>Reliability of estimates</b>	39	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.
<b>Related publications</b>	40	Users may also wish to refer to the following publications, which are available from Stats SA –  <ul style="list-style-type: none"> <li>• Bulletin of Statistics; and</li> <li>• SA Statistics.</li> </ul>
<b>Unpublished statistics</b>	41	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.
<b>Symbols and abbreviations</b>		Stats SA                      Statistics South Africa ..                                not available -                                 nil or not applicable *                                revised since previous publication avg                             average

**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.

**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.

**Historical 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 Bijlpark and Vereeniging) in the other urban areas of Gauteng and partially (Sasolburg) in the other urban areas of the Free State. Due to the fact that there were no metropolitan areas in the Limpopo Province and Mpumalanga, the main urban areas and Nelspruit/Witbank in each of these provinces were selected as metropolitan areas. Since 2002 the Klerksdorp/Orkney/Stilfontein area was omitted as no weighting structures for this area could be determined from the Survey of Income and Expenditure of Households, conducted in 2000.

**Monthly percentage change**

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

**Weights**

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

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**Enquiries**

Technical enquiries: Martie Grobler  
(012) 310 8421

Telephone number: (012) 310 8077/8151/8170 (survey area)  
(012) 310 8600/8390/8351/4892/8496/8095 (user enquiries)  
(012) 310 8161 (publishing)  
(012) 310 8490 (library)

Fax number: (012) 310 8502/3

Email: [cpu@statssa.gov.za](mailto:cpu@statssa.gov.za) (technical enquiries)  
[info@statssa.gov.za](mailto:info@statssa.gov.za) (user information services)  
[distribution@statssa.gov.za](mailto:distribution@statssa.gov.za) (orders)

Postal address: Private Bag X44, Pretoria, 0001

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