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STATISTICAL RELEASE

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Consumer Price Index

July 2020

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Please see the following note on page 4: Impact of the COVID-19 restrictions on the compilation of the Consumer Price Index (CPI) for July

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KEY FINDINGS

Headline consumer price index (CPI for all urban areas)

Annual consumer price inflation was 3,2% in July 2020, up from 2,2% in June 2020. The consumer price index increased by 1,3% month-on-month in July 2020.

The main contributors to the 3,2% annual inflation rate were food and non-alcoholic beverages; housing and utilities; and miscellaneous goods and services (Table C on page 7).

Food and non-alcoholic beverages increased by 4,3% year-on-year, and contributed 0,7 of a percentage point to the total CPI annual rate of 3,2%.

Housing and utilities increased by 3,2% year-on-year, and contributed 0,8 of a percentage point.

Miscellaneous goods and services increased by 6,7% year-on-year, and contributed 1,1 percentage points.

The annual inflation rates for goods and for services were 2,3% and 3,9% respectively. Provincial annual inflation rates ranged from 2,9% in Gauteng to 3,7% in Western Cape (Table A on page 5).

Note: Not all items in the CPI are surveyed every month. Table F (page 10) shows the survey schedule for items that are not surveyed monthly.

Risenga Maluleke
Statistician-General

Impact of the COVID-19 restrictions on the compilation of the Consumer Price Index (CPI) for July

The collection and compilation practices for the CPI largely normalised in July in the context of further easing of lockdown restrictions.

Due to health and safety requirements, Stats SA's CPI unit is not operating at full capacity. More specifically, approximately 1/3 of our field-based price collection team is classified as vulnerable and therefore not able to visit stores to collect price information. Available field staff are not distributed evenly through the country. As a result prices recorded across all regions (including online prices) have been pooled to create national average price changes which are then applied to each elementary index at a regional level. This means that the geographic index changes will only vary according to different weights and not different price changes.

Since April, products that were banned for sale have been imputed using the headline inflation rate. This method has been applied in July. Alcoholic beverages were available for sale in part of June and part of July. The month-on-month inflation rates recorded for alcoholic beverages in the July CPI are based on prices recorded during these two months and are not imputed.

Three main treatments of price indices in July should be noted.

Directly collected and comparable prices

Prices of items collected in store, from service providers and online comprise 63,8% of the weight of the CPI in July.

Headline CPI imputation

An index was imputed using the headline CPI if it was banned for sale in July. Price changes for products banned for sale in June were also imputed in this way for July as there are no actual June prices available to use for comparison with actual July prices. These indices contribute 4,5% of the weight of the CPI. This monthly change is 1,2% for July. It should be noted that due to the rounding and aggregation processes, the published monthly changes for indices imputed by this factor vary between 1,2% and 1,3%.

Periodic surveys

The prices of many services do not change every month and are therefore surveyed quarterly, six-monthly or annually according to a schedule. The standard treatment is to carry forward the value of an index if it is not due to be updated in a particular month. The weight of indices carried forward in July is 31,7%.

DETAILED RESULTS

Table A - Consumer Price Index: Main indices

Unless otherwise stated the table refers to all urban areas.

Group		Weight	Index (Dec 2016=100)			Percentage change		
			Jul 2019	Jun 2020	Jul 2020	Jul 2020 vs. Jun 2020	Jul 2020 vs. Jul 2019	
All items (CPI Headline)		100,00	112,8	114,9	116,4	1,3	3,2	
CPI excluding food and NAB, fuel and energy		74,43	112,2	115,0	115,8	0,7	3,2	
Trimmed mean		..	112,0	115,1	115,7	0,5	3,3	
Analytical series	CPI for all goods	48,70	111,2	111,6	113,8	2,0	2,3	
	CPI for durable goods	7,81	104,2	106,2	107,3	1,0	3,0	
	CPI for semi-durable goods	5,68	103,7	104,3	104,4	0,1	0,7	
	CPI for non-durable goods	35,21	114,4	114,5	117,3	2,4	2,5	
	CPI for services	51,30	114,5	118,1	119,0	0,8	3,9	
	CPI for administered prices	Total	16,17	121,1	116,8	123,6	5,8	2,1
		Regulated	11,76	120,6	113,0	121,8	7,8	1,0
		Not regulated	4,41	122,4	127,2	128,5	1,0	5,0
	CPI excluding administered prices	83,83	111,2	114,5	115,0	0,4	3,4	
	CPI for administered prices excluding fuel and paraffin	11,54	119,7	122,0	126,3	3,5	5,5	
	CPI excluding food and NAB	82,76	113,3	114,8	116,6	1,6	2,9	
	CPI excluding fuel	95,42	112,3	115,4	116,4	0,9	3,7	
	CPI excluding food and NAB and fuel	78,18	112,6	115,4	116,5	1,0	3,5	
	CPI excluding housing	75,38	112,5	114,6	116,0	1,2	3,1	
	CPI excluding fuel and energy	91,67	111,9	115,1	115,8	0,6	3,5	
	CPI excluding energy	96,25	112,5	114,6	115,8	1,0	2,9	
	CPI excluding owners' equivalent rent	86,68	113,3	115,4	117,1	1,5	3,4	
CPI for pensioners	..	113,3	115,7	117,2	1,3	3,4		
Geographic indices	CPI for total country	100,00	112,5	114,5	116,1	1,4	3,2	
	CPI for rural areas	12,23	110,4	112,1	113,6	1,3	2,9	
	CPI per province	Western Cape	17,25	114,6	117,5	118,8	1,1	3,7
		Eastern Cape	8,04	111,7	113,7	115,3	1,4	3,2
		Northern Cape	1,93	111,5	113,7	115,0	1,1	3,1
		Free State	5,93	111,9	114,1	115,4	1,1	3,1
		KwaZulu-Natal	12,70	111,3	113,3	114,6	1,1	3,0
		North West	5,31	110,3	112,1	113,7	1,4	3,1
		Gauteng	36,25	113,0	114,6	116,3	1,5	2,9
		Mpumalanga	6,89	111,1	113,2	114,4	1,1	3,0
Limpopo	5,70	111,7	113,4	115,2	1,6	3,1		
Deciles	CPI per expenditure decile	1	0,50	109,9	112,2	113,6	1,2	3,4
		2	1,13	110,1	112,7	113,8	1,0	3,4
		3	1,89	110,2	112,6	113,6	0,9	3,1
		4	2,81	110,5	112,7	113,7	0,9	2,9
		5	3,93	110,5	112,6	113,6	0,9	2,8
		6	5,61	110,7	112,5	113,6	1,0	2,6
		7	7,91	111,5	113,1	114,5	1,2	2,7
		8	11,30	112,2	113,8	115,3	1,3	2,8
		9	16,35	113,7	115,5	117,2	1,5	3,1
		10	48,57	113,6	115,9	117,6	1,5	3,5

Table B - CPI headline

Table B1 - CPI headline index numbers (Dec 2016=100)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average ¹
2016	94,4	95,7	96,4	97,2	97,4	97,9	98,7	98,6	98,8	99,3	99,6	100,0	97,8
2017	100,6	101,7	102,3	102,4	102,7	102,9	103,2	103,3	103,8	104,1	104,2	104,7	103,0
2018	105,0	105,8	106,2	107,0	107,2	107,6	108,5	108,4	108,9	109,4	109,6	109,4	107,8
2019	109,2	110,1	111,0	111,7	112,0	112,4	112,8	113,1	113,4	113,4	113,5	113,8	112,2
2020	114,1	115,2	115,6	115,0	114,3	114,9	116,4	..	..	..	..	..	..

Table B2 - CPI headline year-on-year rates

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average ¹
2016	6,2	7,0	6,3	6,2	6,1	6,3	6,0	5,9	6,1	6,4	6,6	6,8	6,4
2017	6,6	6,3	6,1	5,3	5,4	5,1	4,6	4,8	5,1	4,8	4,6	4,7	5,3
2018	4,4	4,0	3,8	4,5	4,4	4,6	5,1	4,9	4,9	5,1	5,2	4,5	4,7
2019	4,0	4,1	4,5	4,4	4,5	4,5	4,0	4,3	4,1	3,7	3,6	4,0	4,1
2020	4,5	4,6	4,1	3,0	2,1	2,2	3,2	..	..	..	..	..	..

¹ Annual average.

Figure 1 - CPI headline index numbers and year-on-year rates

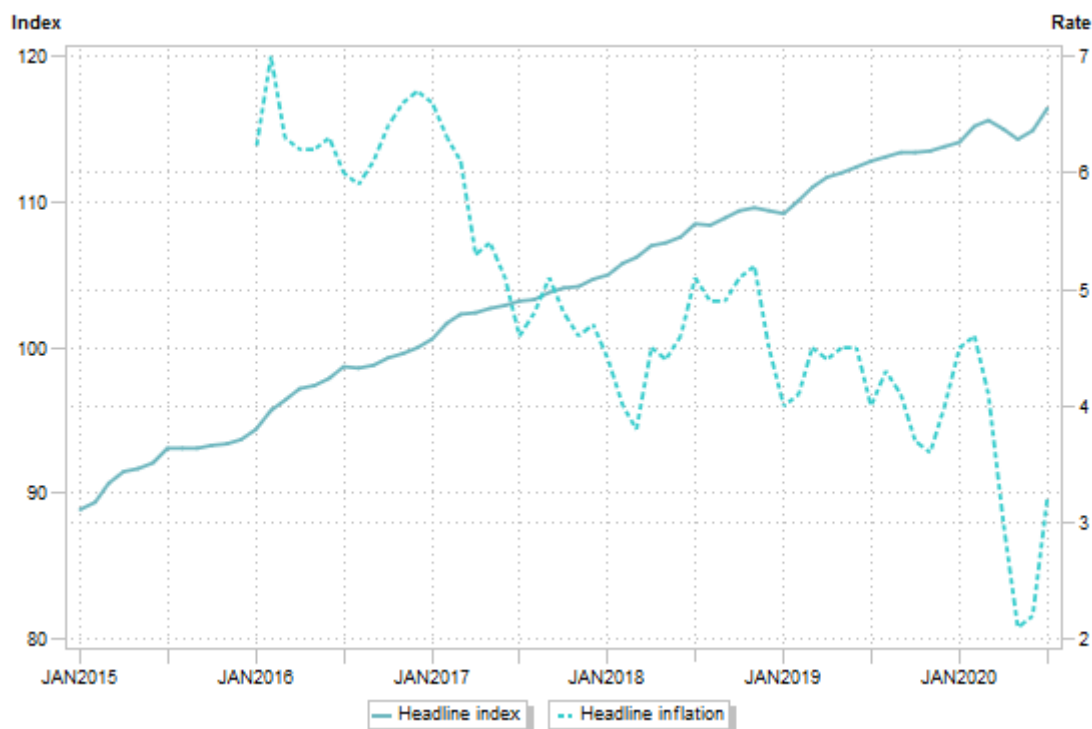


Table C - Contributions of the different groups to the annual percentage change in the CPI headline

Group	Contribution	
	Jun 2020	Jul 2020
Food and non-alcoholic beverages	0,7	0,7
Alcoholic beverages and tobacco	0,1	0,1
Housing and utilities	1,0	0,8
Household contents and services	0,1	0,1
Health	0,1	0,1
Transport	-0,9	0,0
Recreation and culture	0,1	0,1
Education	0,2	0,2
Miscellaneous goods and services	1,0	1,1
Residual	-0,2	0,0
All Items	2,2	3,2

Table D - Contributions of the different groups to the monthly percentage change in the CPI headline

Group	Contribution	
	Jun 2020	Jul 2020
Alcoholic beverages and tobacco	0,0	0,1
Housing and utilities	0,0	0,4
Transport	0,4	0,6
Miscellaneous goods and services	0,0	0,1
Residual	0,1	0,1
All Items	0,5	1,3

Table E - Consumer price indices for all urban areas

Group	Weight	Index (Dec 2016=100)			Percentage change	
		Jul 2019	Jun 2020	Jul 2020	Jul 2020 vs. Jun 2020	Jul 2020 vs. Jul 2019
All items (CPI Headline)	100,00	112,8	114,9	116,4	1,3	3,2
Food and non-alcoholic beverages	17,24	110,7	115,3	115,5	0,2	4,3
Food	15,48	109,9	114,9	115,0	0,1	4,6
Processed	8,67	110,5	115,0	115,3	0,3	4,3
Unprocessed	6,81	109,5	114,8	114,8	0,0	4,8
Bread and cereals	3,21	102,7	105,2	105,6	0,4	2,8
Meat	5,46	116,7	122,7	122,7	0,0	5,1
Fish	0,40	116,5	119,4	121,0	1,3	3,9
Milk, eggs and cheese	2,57	108,6	115,2	115,2	0,0	6,1
Oils and fats	0,45	98,8	108,0	107,7	-0,3	9,0
Fruit	0,34	92,1	103,3	103,2	-0,1	12,1
Vegetables	1,30	110,5	111,3	112,3	0,9	1,6
Sugar, sweets and desserts	0,56	109,6	117,4	116,8	-0,5	6,6
Other food	1,19	107,7	111,4	110,5	-0,8	2,6
Non-alcoholic beverages	1,76	116,9	119,1	119,7	0,5	2,4
Hot beverages	0,65	113,4	115,7	116,8	1,0	3,0
Cold beverages	1,11	118,9	121,0	121,4	0,3	2,1
Alcoholic beverages and tobacco	5,82	115,5	116,9	118,3	1,2	2,4
Alcoholic beverages	3,89	116,8	117,6	119,0	1,2	1,9
Spirits	0,86	116,8	118,4	119,5	0,9	2,3
Wine	1,05	122,3	124,2	125,5	1,0	2,6
Beer	1,98	114,0	113,8	115,4	1,4	1,2
Tobacco	1,93	112,8	115,4	116,9	1,3	3,6
Clothing and footwear	3,83	104,9	105,4	105,3	-0,1	0,4
Clothing	2,71	105,6	106,2	106,2	0,0	0,6
Footwear	1,12	103,3	103,3	103,3	0,0	0,0
Housing and utilities	24,62	113,9	115,6	117,6	1,7	3,2
Actual rentals for housing	3,52	111,2	113,2	113,2	0,0	1,8
Owners' equivalent rent	13,32	109,7	111,5	111,5	0,0	1,6
Maintenance and repair	0,82	109,8	110,7	111,2	0,5	1,3
Water and other services	3,16	127,3	128,1	134,7	5,2	5,8
Electricity and other fuels	3,80	121,4	122,9	130,5	6,2	7,5
Household contents and services	4,35	107,1	108,9	109,0	0,1	1,8
Furnishings, floor coverings and textiles	0,81	94,1	91,6	91,2	-0,4	-3,1
Appliances, tableware and equipment	0,73	100,0	98,2	99,6	1,4	-0,4
Supplies and services	2,81	112,8	116,7	116,7	0,0	3,5
Domestic workers' wages	2,45	113,5	118,6	118,6	0,0	4,5
Health	1,40	116,7	121,0	121,3	0,2	3,9
Medical products	0,53	113,3	115,3	116,0	0,6	2,4
Medical services	0,87	119,0	124,9	124,9	0,0	5,0

Table E - Consumer price indices for all urban areas (concluded)

Group		Weight	Index (Dec 2016=100)			Percentage change		
			Jul 2019	Jun 2020	Jul 2020	Jul 2020 vs. Jun 2020	Jul 2020 vs. Jul 2019	
Transport		14,28	114,6	109,4	114,6	4,8	0,0	
	Purchase of vehicles	6,12	108,9	111,8	113,2	1,3	3,9	
	Private transport operation		5,86	121,8	106,4	116,7	9,7	-4,2
		Fuel	4,58	124,8	104,0	117,1	12,6	-6,2
		Other running costs	1,28	111,1	114,9	115,4	0,4	3,9
Public transport	2,30	111,7	110,6	113,4	2,5	1,5		
Communication		2,63	99,9	99,7	99,7	0,0	-0,2	
	Postal services and telecommunication services	2,43	102,4	102,2	102,2	0,0	-0,2	
	Telecommunication equipment	0,20	70,4	70,9	69,8	-1,6	-0,9	
Recreation and culture		5,16	102,2	103,3	103,4	0,1	1,2	
	Recreational equipment	1,25	95,4	97,0	96,5	-0,5	1,2	
	Recreational and cultural services	3,10	102,7	103,3	103,4	0,1	0,7	
	Books, newspapers and stationery	0,64	114,8	119,4	120,4	0,8	4,9	
	Package holidays	0,17	95,4	91,1	92,3	1,3	-3,2	
Education		2,53	121,8	129,6	129,6	0,0	6,4	
	Primary and secondary	1,54	123,8	133,1	133,1	0,0	7,5	
	Tertiary	0,99	118,7	124,3	124,3	0,0	4,7	
Restaurants and hotels		3,09	108,4	109,0	109,6	0,6	1,1	
	Restaurants	1,98	114,3	116,7	117,0	0,3	2,4	
	Hotels	1,11	97,0	94,2	95,3	1,2	-1,8	
Miscellaneous goods and services		15,05	119,4	126,5	127,4	0,7	6,7	
	Personal care	2,12	106,5	107,6	106,9	-0,7	0,4	
	Insurance	10,06	123,6	132,8	132,9	0,1	7,5	
	Financial services	1,53	116,4	123,9	125,0	0,9	7,4	
	Other goods and services	1,34	111,1	112,2	120,6	7,5	8,6	

Table F - Survey schedule for non-monthly surveys

Quarterly	
January, April, July, October	Gymnasium fees (Recreation and culture) Funeral expenses, funeral policies, gravestone maintenance (Miscellaneous)
February, May, August, November	Private-sector hospitals (Health) Rugby tickets (Recreation and culture) Cricket tickets (Recreation and culture)
March, June, September, December	Actual rentals for housing, owners' equivalent rent (Housing and utilities) Domestic workers' wages (Household contents and services) Taxi fares, train fares (Transport) Motor vehicle insurance (Miscellaneous)
Biannual	
January, July	Building insurance, household content insurance (Miscellaneous)
February, April	Medical aid (Miscellaneous)
April, October	Television licences (Recreation and culture)
May, November	Electricians, plumbers (Housing and utilities)
July, August	Municipal charges for water, property rates and electricity (Housing and utilities)
Annual	
January	Post box rental (Communication) Lotto tickets (Recreation and culture)
February	Private-sector doctors and dentists (Health)
March	School and university tuition fees (Education) Toll fees (Transport) University boarding fees (Restaurants and hotels) Crèche fees (Miscellaneous)
April	Public-sector hospitals and doctors (Health) Stamps (Communication)
Other	
January, March, April, June, July, September, October, December	Local bus fares (Transport)

Additional surveys are conducted for these items when Stats SA is aware of significant price changes outside regular survey months.

GLOSSARY

A complete set of definitions is available in the methods and sources document on the Stats SA website http://www.statssa.gov.za/?page_id=2528

Annual inflation rate	The annual inflation rate 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.
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 index of one year compared with the average index 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 for administered prices	An administered price is defined as the price of a product which is set consciously by an individual producer or group of producers and/or any price which can be determined or influenced by government, either directly or through a government agency/institution without reference to market forces. Products and services included are assessment rates, water, electricity, paraffin, petrol, diesel, public transport – trains, motor licences, motor registration, telephone fees, cell calls, television licence, school fees, university/technicons/colleges and university boarding fees.
CPI for regulated prices	Regulated prices are those administered prices that are 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. Products and services included are water, electricity, paraffin, petrol, diesel, telephone fees and cell calls.
CPI per expenditure decile	Decile 1 - up to R17 721; Decile 2 - R 17 722 up to R 29 475; Decile 3 - R 29 476 up to R 42 582; Decile 4 - R 42 583 up to R 56 909; Decile 5 - R 56 910 up to R 73 813; Decile 6 - R 73 814 up to R 94 884; Decile 7 - R 94 885 up to R 124 227; Decile 8 - R 124 228 up to R 173 022; Decile 9 - R 173 023 up to R 269 902; and Decile 10 - R 269 903 and more.
Inflation rate	The 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.
Monthly percentage change	The monthly percentage change is the change in the index of the relevant month compared with the index of the previous month expressed as a percentage.
Rural CPI	The rural CPI is compiled using data from rural and urban areas in accordance with the purchasing patterns of rural residents.

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