
2022

LRS Labour
Research
Service

November

Inflation Monitor

The Consumer Price Index decreased to 7.4% in November 2022

The term inflation means a sustained increase in the general level of prices of goods and services. It is measured as an annual percentage increase (for example, November 2021 to November 2022). A falling rate of inflation means that prices are rising at a slower rate.

The headline annual inflation rate decreased to 7.4% in November 2022 from 7.6% in October 2022. The Consumer Price Index (CPI) increased by 0.2% month-on-month in November 2022.

The food price increased to 12.8% in November 2022 from 12.3% in October 2022

Transport inflation declined to 15.3% in November 2022 from 17.1% in October 2022.

Public transport inflation decreased to 20.5% in November 2022 from 23.3% in October 2022.

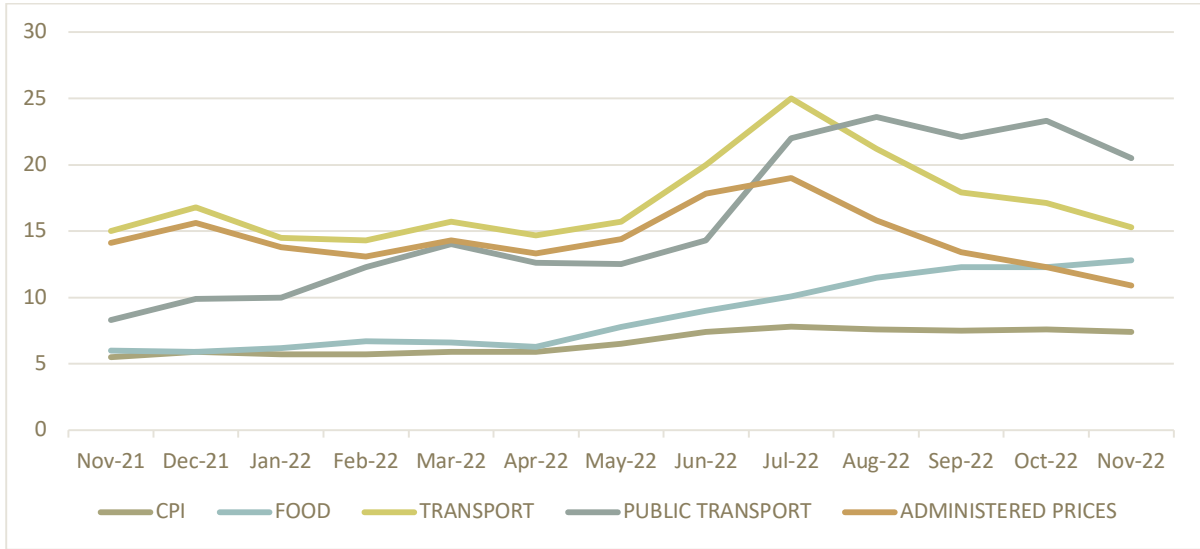
The administrator's price (school, telephone fees, electricity, trains, and petrol/paraffin) declined to 10.9% in November 2022 from 12.3% in October 2022.

Table 1: The Annual Inflation Rate (CPI) and Selected Price Categories

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
CPI	5.5%	5.9%	5.7%	5.7%	5.9%	5.9%	6.5%	7.4%	7.8%	7.6%	7.5%	7.6%	7.4%
Food	6%	5.9%	6.2%	6.7%	6.6%	6.3%	7.8%	9%	10.1%	11.5%	12.3%	12.3%	12.8%
Transport	15%	16.8%	14.5%	14.3%	15.7%	14.7%	15.7%	20%	25%	21.2%	17.9%	17.1%	15.3%
Public Transport	8.3%	9.9%	10%	12.3%	14%	12.6%	12.5%	14.3%	22%	23.6%	22.1%	23.3%	20.5%
Administration Prices	14.1%	15.6%	13.8%	13.1%	14.3%	13.3%	14.4%	17.8%	19%	15.8%	13.4%	12.3%	10.9%

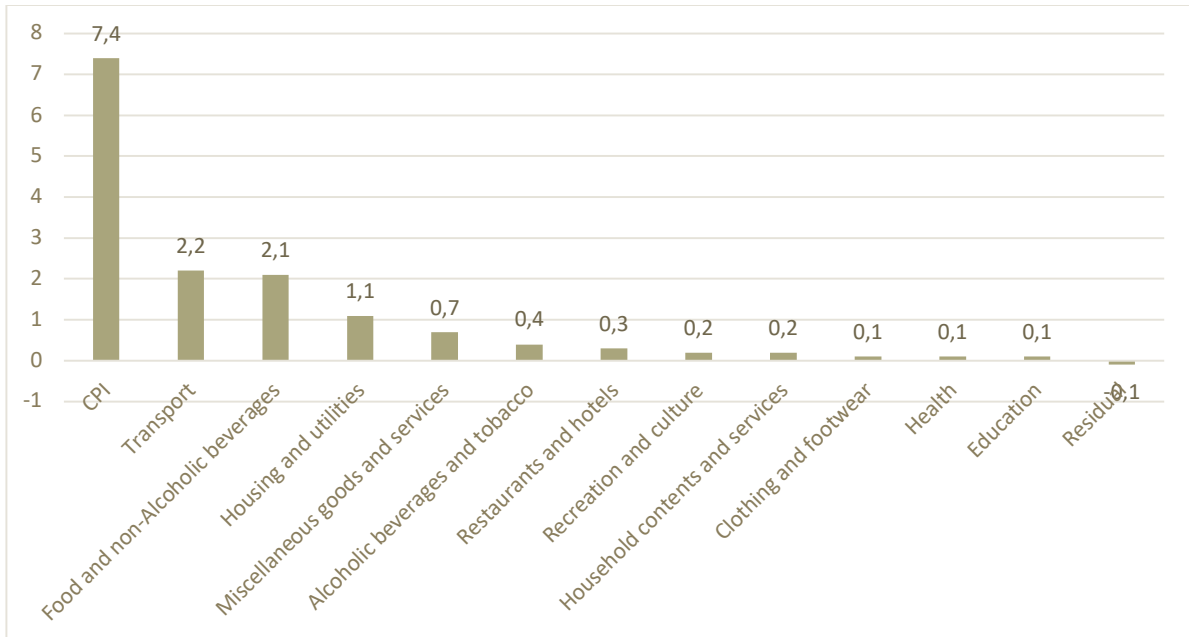
Source: Statistics South Africa

Figure 1: Consumer Price Index (CPI) and selected price categories | November 2021 to November 2022



Source: Statistics South Africa

Table 2: Contributions of the different groups to the annual percentage change in the CPI headline | November 2022



Source: Statistics South Africa

Statistics South Africa divides household monthly expenditure into 10 deciles. The table below shows that the decile 10 expenditure was higher than the decile 1 expenditure, indicating a high level of inequality.

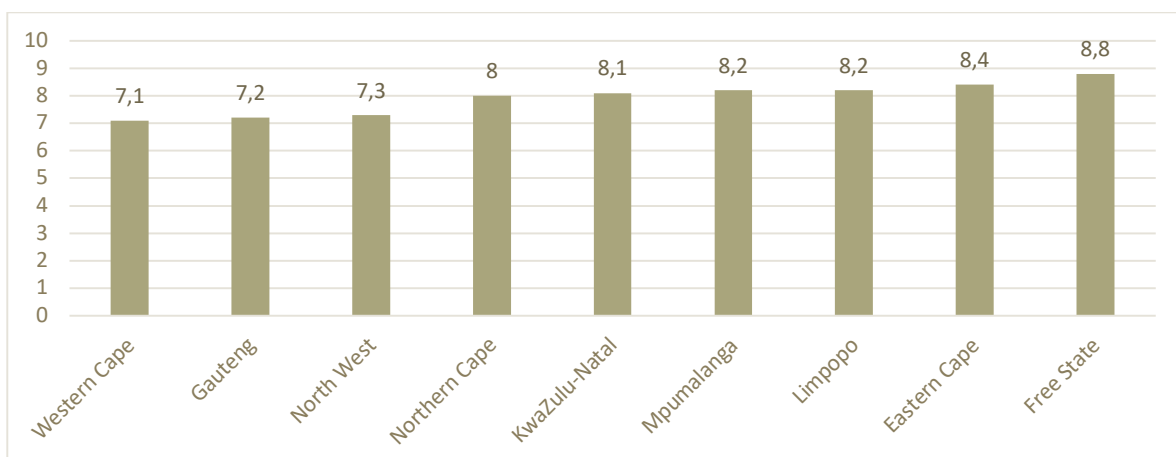
Table 3: Annualised inflation by expenditure group | November 2022

	Monthly expenditure	Inflation Rate November-22
Average annual CPI		7.4%
Decile 1	Up to R1 678 per month	10.1%
Decile 2	R1 678 up to R2 802 per month	9.6%
Decile 3	R2 802 up to R4 056 per month	8.6%
Decile 4	R4 056 up to R5 434 per month	7.7%
Decile 5	R5 435 up to R7 058 per month	7.5%
Decile 6	R7 058 up to R9 097 per month	7.4%
Decile 7	R9 097 up to R11 931 per month	7.6%
Decile 8	R11 931 up to R16 660 per month	7.8%
Decile 9	R16 660 up to R26 021 per month	7.8%
Decile 10	R26 021 and more...	7%

Source: Statistics South Africa

There is more than one inflation number. Different groups, from the very poor to the wealthy, can experience different rates of inflation because they buy different things. The very low group (Decile 1) experienced an inflation rate of 10.1%, which was higher than the headline annualised inflation rate of 7.4%, while the very high expenditure group (Decile 10) had an inflation rate of 7%, which was 0.4% lower than the inflation rate of 7.4% in November 2022.

Figure 2: Annualised inflation rate (%) by province | November 2022



Source: Statistics South Africa

The provinces with an annual inflation rate **lower than or equal to headline inflation** were Western Cape (7.1%), Gauteng (7.2%) and Northwest (7.3%). The provinces with an annual inflation rate **higher than headline inflation** were Northern Cape (8%), KwaZulu-Natal (8.1%), Mpumalanga (8.2%), Limpopo (8.2%), Eastern Cape (8.4%) and Free State (8.8%).

Table 4: The Consumer Price Index

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2019	4	4.1	4.5	4.4	4.5	4.5	4	4.3	4.1	3.7	3.6	4	4.1
2020	4.5	4.6	4.1	3	2.1	2.2	3.2	3.1	3	3.3	3.2	3.1	3.3
2021	3.2	2.9	3.2	4.4	5.2	4.9	4.6	4.9	5	5	5.5	5.9	4.5
2022	5.7	5.7	5.9	5.9	6.5	7.4	7.8	7.6	7.5	7.6	7.4		

Source: Statistics South Africa

The Consumer Price Index is known as the headline inflation rate and is also referred to as the official inflation rate. The month to month prices of over a thousand goods and services go into the calculation of CPI.

Table 5: The Food Price Index

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2019	2.3	2.3	2.3	2.3	2.8	3.2	3	3.8	3.7	3.5	3.5	3.8	3
2020	3.7	4.2	4.4	4.6	4.8	4.5	4.6	4.3	4.2	5.6	5.9	6.2	4.8
2021	5.6	5.4	5.9	6.7	6.8	7	7	7.4	7	6.7	6	5.9	6.5
2022	6.2	6.7	6.6	6.3	7.8	9	10.1	11.5	12.3	12.3	12.8		

Source: Statistics South Africa

The food price index shows the increase in the price level of food products only, every month. This rate is incorporated in the overall CPI inflation rate.

Table 6: The Transport Price Index

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2019	2.9	3.6	6.4	7.4	7.1	5.5	3	3.1	2.4	0.3	-0.3	3.3	3.7
2020	6.4	6.2	3.4	-3.5	-8.4	-5.9	0.0	0.2	0.3	-0.5	-1.3	-1.6	-0.4
2021	-0.4	1.2	3.8	10.6	15.3	12.3	8	9.9	10.1	10.9	15	16.8	9.5
2022	14.5	14.3	15.7	14.7	15.7	20	25	21.2	17.9	17.1	15.3		

Source: Statistics South Africa

The transport price index indicates the increase in the price level of transport items in the basket of goods and services that make up the inflation index. This rate is incorporated in the overall CPI inflation rate.

Table 7: The Public Transport Price Index

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2019	9.6	8.9	10.1	10.5	9.5	8.3	7.6	9	3	2.5	2.8	3.7	7.1
2020	0.7	0.8	-1.7	-1.8	-0.7	-1.1	1.5	0.6	1.6	2.9	1.9	1.2	0.5
2021	1.5	1.2	4.5	5.1	4.3	6.9	3.7	5.3	6.7	6	8,3	9.9	5.3
2022	10	12.3	14	12.6	12.5	14.3	22	23.6	22.1	23.2	20.5		

Source: Statistics South Africa

The public transport price index shows price increases in taxis, trains, buses, or other public transport that ferry passengers or goods. This rate is incorporated into the overall CPI inflation rate

Table 8: The Administered Price Index

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2019	5	5.7	7.9	8.3	8.2	6.9	4.7	4.9	5.2	3.5	3	5.9	5.8
2020	9.2	8.8	6.8	0.9	-3.1	-1.7	2.1	2.1	1.8	0.9	0.6	0.2	2.4
2021	1.1	2.7	4	9.2	12.5	10.4	9.1	10.3	10.4	11.2	14.1	15.6	9.2
2022	13.8	13.1	14.3	13.3	14.4	17.8	19	15.8	13.4	12.3	10.9		

Source: Statistics South Africa

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 one or other government agencies/institution without reference to market forces. For example, school fees, telephone fees, electricity, trains, petrol/paraffin, cell calls and public transport. This rate is incorporated into the overall CPI inflation rate.

The December 2022 CPI figures are expected on 18th January 2023

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