

INFLATION MONITOR

MAY 2024

A simplified version of inflation data tailored for trade union negotiators.



Inflation is a sustained rise in the general level of prices of goods and services. It is measured as an annual percentage increase (e.g., May 2023 to May 2024). A falling rate of inflation means that prices are rising more slowly.

The inflation rate stayed at 5.2% in May 2024, the same as in April 2024. The Consumer Price Index (CPI) went up by 0.2% from April to May 2024.

Food prices dropped slightly to 4.3% in May from 4.4% in April.

Transport costs increased to 6.3% in May from 5.7% in April.

Public transport prices rose to 2% in May from -0.6% in April.

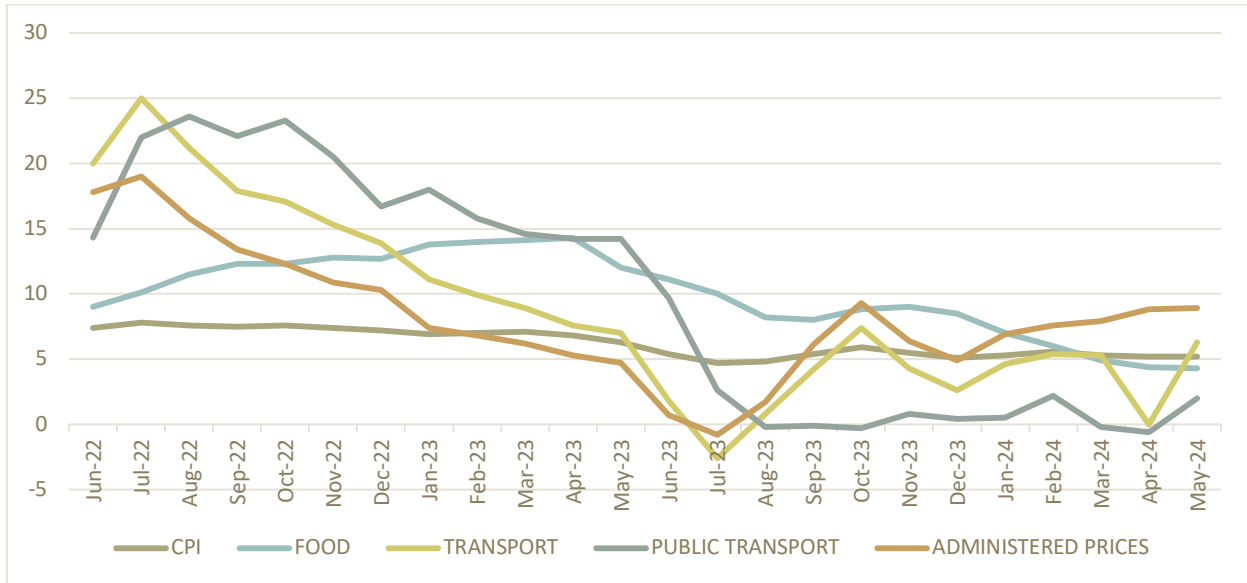
Administrator's prices went up a bit to 8.9% in May from 8.8% in April.

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

| | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| CPI | 6.3% | 5.4% | 4.7% | 4.8% | 5.4 | 5.9% | 5.5% | 5.1% | 5.3% | 5.6% | 5.3% | 5.2% | 5.2% |
| Food | 12% | 11.1% | 10% | 8.2% | 8% | 8.8% | 9% | 8.5% | 7% | 6% | 4.9% | 4.4% | 4.3% |
| Transport | 7% | 1.8% | -2.6% | 0.8% | 4.2% | 7.4% | 4.3% | 2.6% | 4.6% | 5.4% | 5.3% | 5.7% | 6.3% |
| Public Transport | 14.2% | 9.7% | 2.6% | -0.2% | -0.1% | -0.3% | 0.8% | 0.4% | 0.5% | 2.2% | -0.2% | -0.6% | 2% |
| Administration Prices | 4.7% | 0.7% | -0.8% | 1.7% | 6.1% | 9.3% | 6.4% | 4.9% | 6.9% | 7.6% | 7.9% | 8.8% | 8.9% |

Source: Statistics South Africa

Figure 1: Consumer Price Index (CPI) and selected price categories | June 2022 to May 2024



Source: Statistics South Africa

Figure 2: Contributions of the different groups to the annual percentage change in the CPI headline | Apr-May 2024

| Group | Contribution | |
|----------------------------------|--------------|--------|
| | Apr-24 | May-24 |
| Food and non-alcoholic beverages | 0.9 | 0.9 |
| Alcoholic Beverages and Tobacco | 0.3 | 0.3 |
| Clothing and footwear | 0.1 | 0.1 |
| Housing and utilities | 1.4 | 1.4 |
| Household Content and Services | 0.1 | 0.1 |
| Health | 0.1 | 0.1 |
| Transport | 0.9 | 0.9 |
| Recreation and culture | 0.1 | 0.1 |
| Education | 0.2 | 0.2 |
| Restaurants and Hotels | 0.2 | 0.2 |
| Miscellaneous Goods and Services | 1.1 | 1.1 |
| Residual | -0.2 | -0.2 |
| All Items | 5.2 | 5.2 |

Source: Statistics South Africa

Statistics South Africa divides monthly household expenditure into 10 deciles. Expenditure in decile 10 was higher than expenditure in decile 1, indicating extreme inequality.

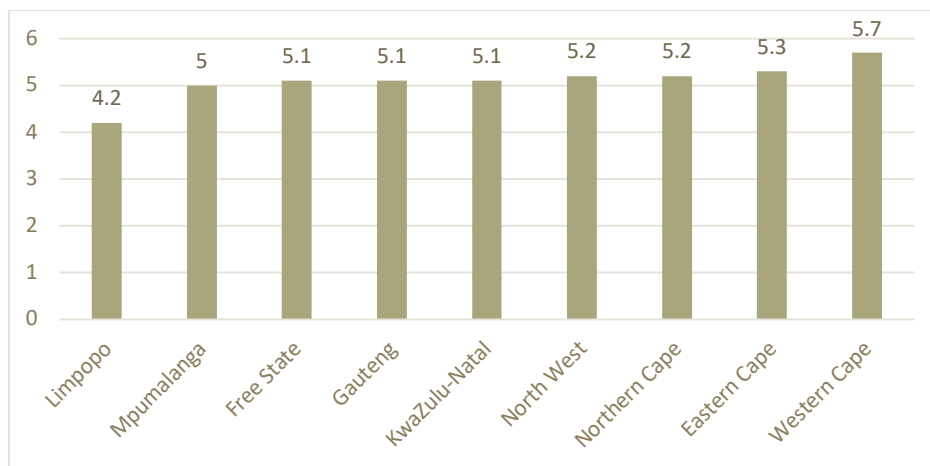
Table 2: Annualised inflation by expenditure group | April 2024

| | Monthly expenditure | Inflation Rate May-24 |
|---------------------------|---------------------------------|-----------------------|
| Average annual CPI | | 5.2% |
| Decile 1 | Up to R1 678 per month | 6.1% |
| Decile 2 | R1 678 up to R2 802 per month | 5.5% |
| Decile 3 | R2 802 up to R4 056 per month | 5.2% |
| Decile 4 | R4 056 up to R5 434 per month | 4.8% |
| Decile 5 | R5 435 up to R7 058 per month | 4.8% |
| Decile 6 | R7 058 up to R9 097 per month | 4.6% |
| Decile 7 | R9 097 up to R11 931 per month | 4.8% |
| Decile 8 | R11 931 up to R16 660 per month | 4.8% |
| Decile 9 | R16 660 up to R26 021 per month | 5.2% |
| Decile 10 | R26 021 and more... | 5.5% |

Source: Statistics South Africa

There is more than one inflation rate. Different groups can experience different rates of inflation because they buy different things. The lowest spending group (decile 1) experienced an inflation rate of 6.1%, which was higher than the headline annual inflation rate of 5.2%. The highest spending group (decile 10) had an inflation rate of 5.5%, slightly above the headline rate by 0.3%.

Figure 3: Annualised inflation rate (%) by province | May 2024



Source: Statistics South Africa

Limpopo (4.2%), Mpumalanga (5%), Free State (5.1%), Gauteng (5.1%), KwaZulu-Natal (5.1%), North West (5.2%) and Northern Cape (5.2%) were the provinces

with annual inflation rates lower than or equal to the headline rate. Eastern Cape (5.3%) and Western Cape (5.7%) were the provinces with annual inflation higher than headline inflation.

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 | 7.2 | 6.9 |
| 2023 | 6.9 | 7 | 7.1 | 6.8 | 6.3 | 5.4 | 4.7 | 4.8 | 5.4 | 5.9 | 5.5 | 5.1 | 6.0 |
| 2024 | 5.3 | 5.6 | 5.3 | 5.2 | 5.2 | | | | | | | | |

Source: Statistics South Africa

The consumer price index is known as the headline inflation rate and is also called the official inflation rate. The monthly prices of over a thousand goods and services are used to calculate the 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 | 12.7 | 9.5 |
| 2023 | 13.8 | 14 | 14.4 | 14.3 | 12 | 11.1 | 10 | 8.2 | 8 | 8.8 | 9 | 8.4 | 11 |
| 2024 | 7 | 6 | 4.9 | 4.4 | 4.3 | | | | | | | | |

Source: Statistics South Africa

The Food Price Index shows the increase in the price level of food only, each month. It is included in the overall CPI inflation.

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 | 13.9 | 17.1 |
| 2023 | 11.1 | 9.9 | 8.9 | 7.6 | 7 | 1.8 | -2.6 | 0.8 | 4.2 | 7.4 | 4.3 | 2.6 | 5.2 |
| 2024 | 4.6 | 5.4 | 5.3 | 5.7 | 6.3 | | | | | | | | |

Source: Statistics South Africa

The transport price index measures the increase in the price level of transport items in the basket of goods and services that make up the inflation index. It is included in overall CPI inflation.

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 | 16.7 | 17 |
| 2023 | 18 | 15.8 | 14.6 | 14.2 | 14.2 | 9.7 | 2.6 | -0.2 | -0.1 | -0.3 | 0.8 | 0.4 | 7.5 |
| 2024 | 0.5 | 2.2 | -0.2 | -0.6 | 2 | | | | | | | | |

Source: Statistics South Africa

The Public Transport Price Index shows the price rises for public modes of passenger and goods transport. It is included in the overall CPI inflation.

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 | 10.3 | 14 |
| 2023 | 7.4 | 6.8 | 6.2 | 5.3 | 4.7 | 0.7 | -0.8 | 1.7 | 6.1 | 9.3 | 6.4 | 4.9 | 4.9 |
| 2024 | 6.9 | 7.6 | 7.9 | 8.8 | 8.9 | | | | | | | | |

Source: Statistics South Africa

An administered price: The price of a product deliberately fixed by a single producer or group of producers and/or any price that may be determined or influenced by the government, either directly or through one or more government agencies/institutions, without reference to market forces. Examples include school fees, telephone charges, electricity, trains, petrol/paraffin, mobile phone calls and public transport. This rate is part of the overall CPI inflation rate.

The June 2024 CPI data is expected on 24 July 2024

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