



March 2025

# Bargaining Benchmarks

A resource for trade union negotiators  
in South Africa

Negotiators often have very few resources to assist them with preparing for bargaining processes at company or sector level. There is very little information on wages and other key indicators in the public domain and trade union negotiators in particular have limited scope to buy the information that they might need. It is also true that much of the information that is available is not in a form that is easily understood by negotiators.

Bargaining Benchmarks is a basic resource for role players in collective bargaining in South Africa. This report provides negotiators with a series of benchmarks that will help them enter into bargaining processes as informed role players.

# Table of Contents

Definitions	02
Price Inflation: Cost of Living	03
Contributions to annual change	04
Inflation by expenditure Group	08
Inflation by province	08
Producer Price Index	09
Unemployment rate	10
Economic Growth and GDP	11
Household Food Basket Index	12
Wage indicators	13
References	14

# Definitions

## **CPI (Consumer Price Index)**

Measures changes in the price level of market basket of consumer goods and services purchased by households.

## **Economic growth**

The increase in the inflation-adjusted market value of the goods and services produced by an economy over time. It is conventionally measured as the percent rate of increase in real gross domestic product, or real GDP.

## **Employment**

The fact of having a paid job

## **Inflation**

The rate at which prices increase over time, resulting in a fall in the purchasing power of money.

## **GDP (Gross Domestic Product)**

A monetary measure of the market value of all the final goods and services produced in a period of time, often annually or quarterly in a country.

## **PPI (Producer Price Index)**

Measure of the average change in the price of a basket of representative goods and services sold by manufacturers and producers in the wholesale market, including finished goods, intermediate goods, and raw materials or crude commodities.

## **PMBEJD**

Pietermaritzburg Economic Justice and Dignity.

## **The median**

The number found in the middle of a range of numbers. For example: if the range of numbers is 2, 4, 6, 8, 10, 12, 14, 16, 18 then the median is 10.

# Price inflation: Cost of living

Inflation is backwards looking. If the latest inflation number is for March 2025 and it was reported to be 3%, then this tells us what happened to prices over the last 12 months (from March 2024 to March 2025).

The easiest way to understand inflation is to think of buying power. If a worker receives a 10% increase but the price of the goods that the worker buys also increase by 10%, then that worker will not be able to buy anything beyond what they bought previously even though they appear to have more money. The wage earner, therefore, has the same buying power they had before, despite the 10% increase.

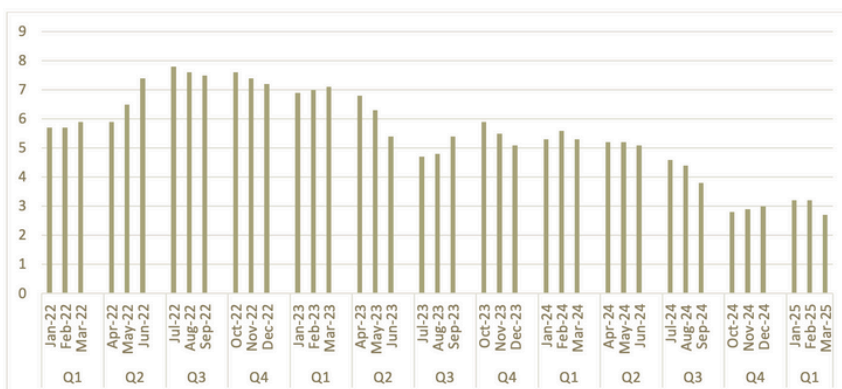
The Consumer Price Index (CPI) represents the overall increase in prices of all goods. The inflation rate measured by the CPI was 3.2% in January and February 2025. This means that the prices of goods and services generally rose by 2.7% from March 2024 to March 2025.

You can find this monthly release at [www.statssa.gov.za](http://www.statssa.gov.za)

The increase in prices over a certain time period. Measured as an annual percentage increase (for example, March 2024 to March 2025).

Almost always presented as an annualised number covering the previous 12 months.

Figure 1: Consumer Price Index (CPI) Q1 2025



Source: Statistics South Africa

Overall CPI is made up of different categories of goods and services.



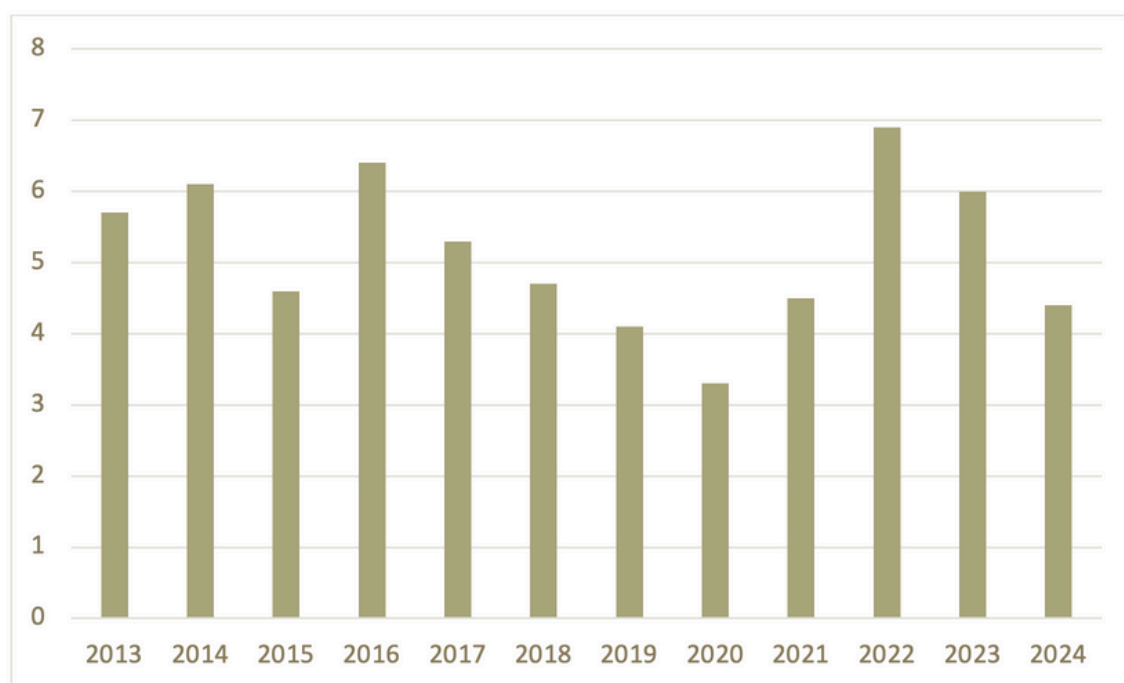
Remember the inflation rate describes a rate of increase. So, if annualised inflation is lower this month than it was last month, it does not mean that things are cheaper. It just means that the prices increased more slowly than they did before.

If we look even closer, we can see which sub-categories are currently driving inflation.



*If annualised inflation is lower this month than it was last month, it does not mean that things are cheaper.*

Figure 2: Average Consumer Price Index (CPI) | 2013 - 2024



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.

- ✓ From early 2022 to February 2024, food inflation outpaced overall inflation. This reversed in March 2024, except for a brief spike in September. The rates matched at 2.8% in October, but overall inflation stayed higher through December and into the first quarter of 2025.

Food price

2.2%

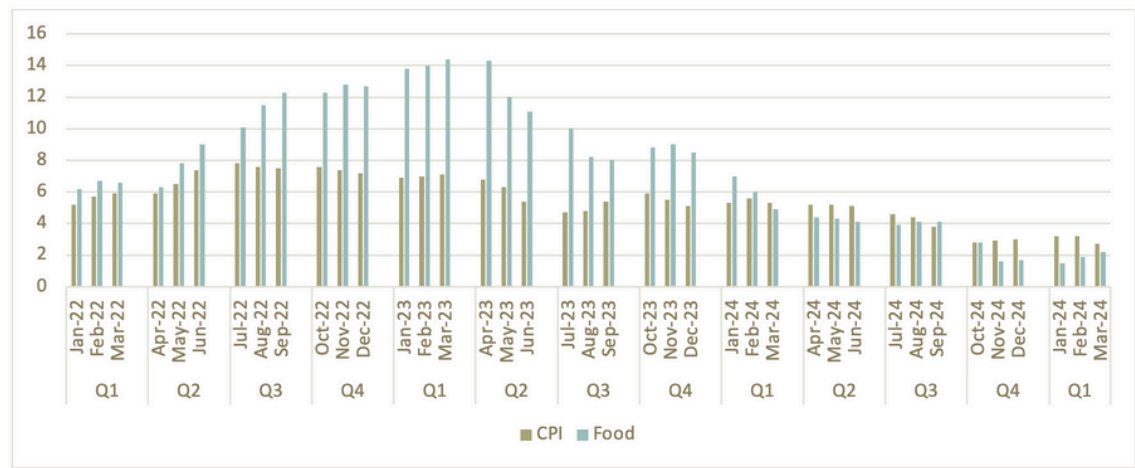
March 2025

Consumer Price Index

2.7%

March 2025

Figure 3: The Food Price | Q1 2022 – Q1 2025



Source: Statistics South Africa

The transport price index reflects the rise in the cost of transportation items within the basket of goods and services used to calculate the inflation index. This rate is factored into the overall CPI inflation rate.

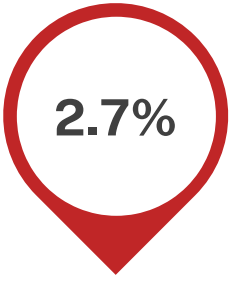
✓ Transport prices stayed above overall inflation from Q1 of 2022 to Q2 of 2023, with a brief dip in June. Prices rose above inflation in Q4 of 2023 through to Q2 of 2024. From Q3 of 2024 to Q1 of 2025, inflation outpaced transport prices.

Transport price



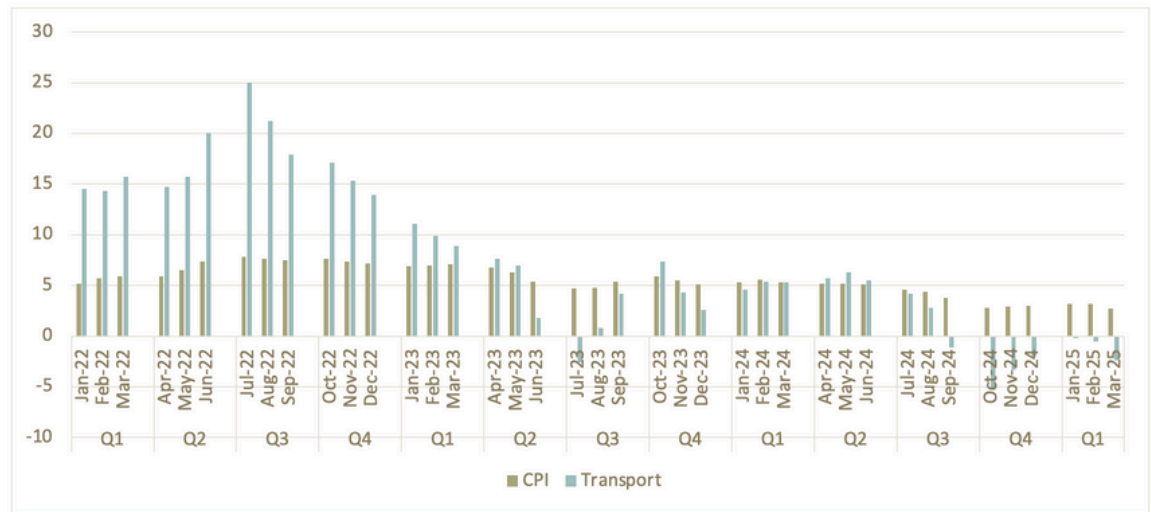
March 2025

Consumer Price Index



March 2025

Figure 4: Transport price | Q1 January 2022 - Q1 2025



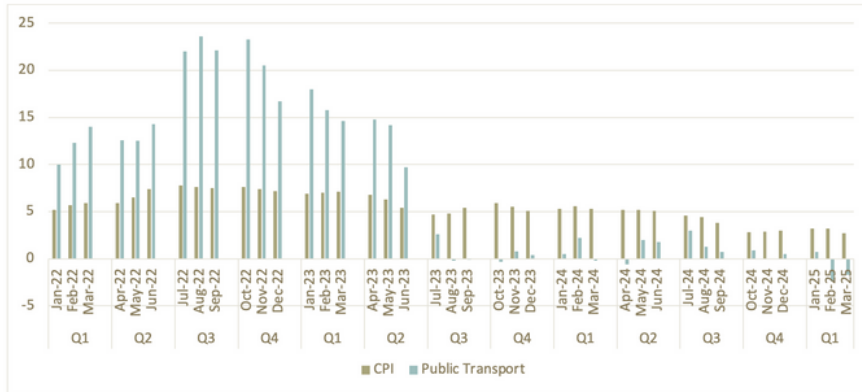
The public transport price index reflects price changes for taxis, trains, buses and other public transport for passengers or goods. This index is part of the overall CPI inflation rate.

Public transport prices were above inflation from Q1 of 2022 to Q2 of 2023, but were below inflation from Q3 of 2023 to Q1 of 2025.

Consumer Price Index | March 2025

2.7%

Figure 5: Public Transport price | Q1 2022 - Q1 2025

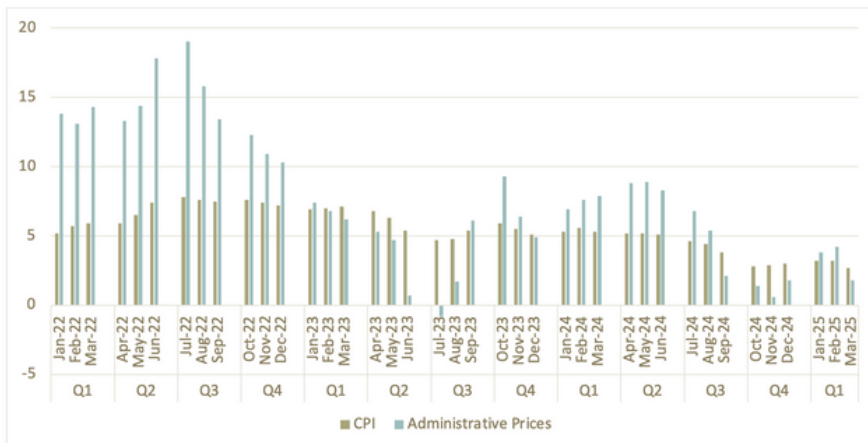


Source: Statistics South Africa

Public Transport price | March 2025

-1.7%

Figure 6: Administered price | Q1 2022 - Q1 2025



Source: Statistics South Africa

Administered prices rose in Q1 of 2024 and remained above inflation in the second quarter.

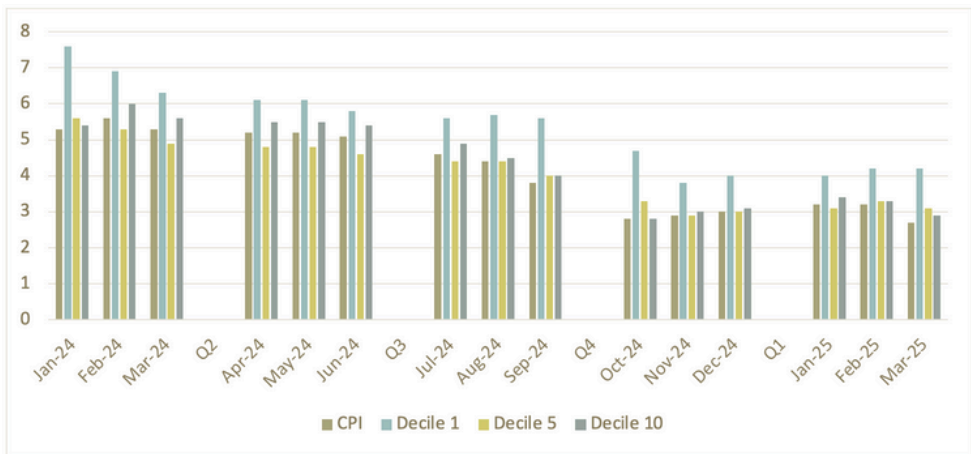
Prices fell below the CPI in the third quarter of 2024 but gradually increased, reaching 1.8% in December, up from 1.4% in October and 0.6% in November.



# Inflation by expenditure group

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.

Figure 7: Annualised inflation by expenditure group | Q1 2022 - Q1 2025

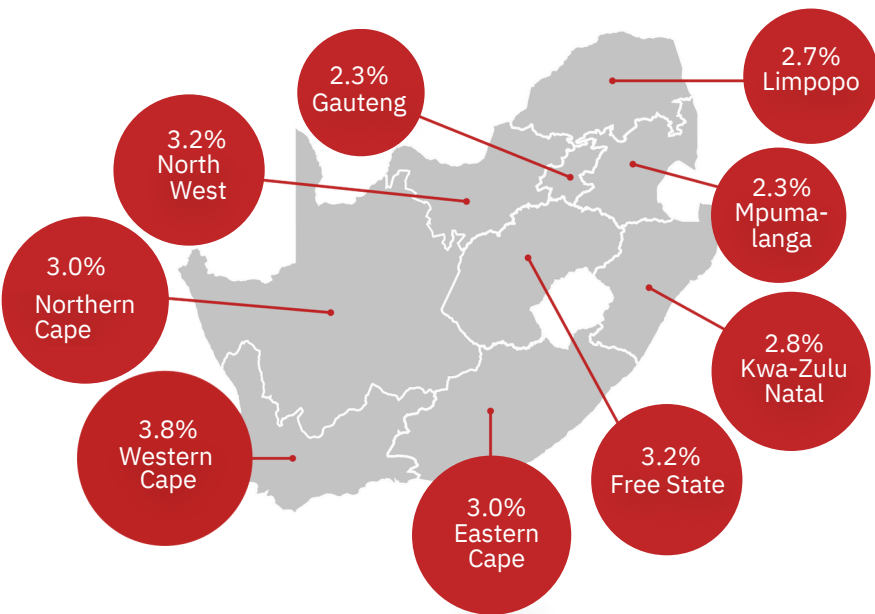


Source: Statistics South Africa

◀ The very-low group (Decile 1) experienced an inflation rate of 4%, which is higher than the headline annualised inflation rate of 3% in December 2024, while the very high expenditure group (Decile 10) had an inflation rate of 3.1% in December 2024, which was 0.1% above the inflation rate of 3%.

# Inflation by province

Figure 8: Annualised Rates by Province | March 2025



Source: Statistics South Africa

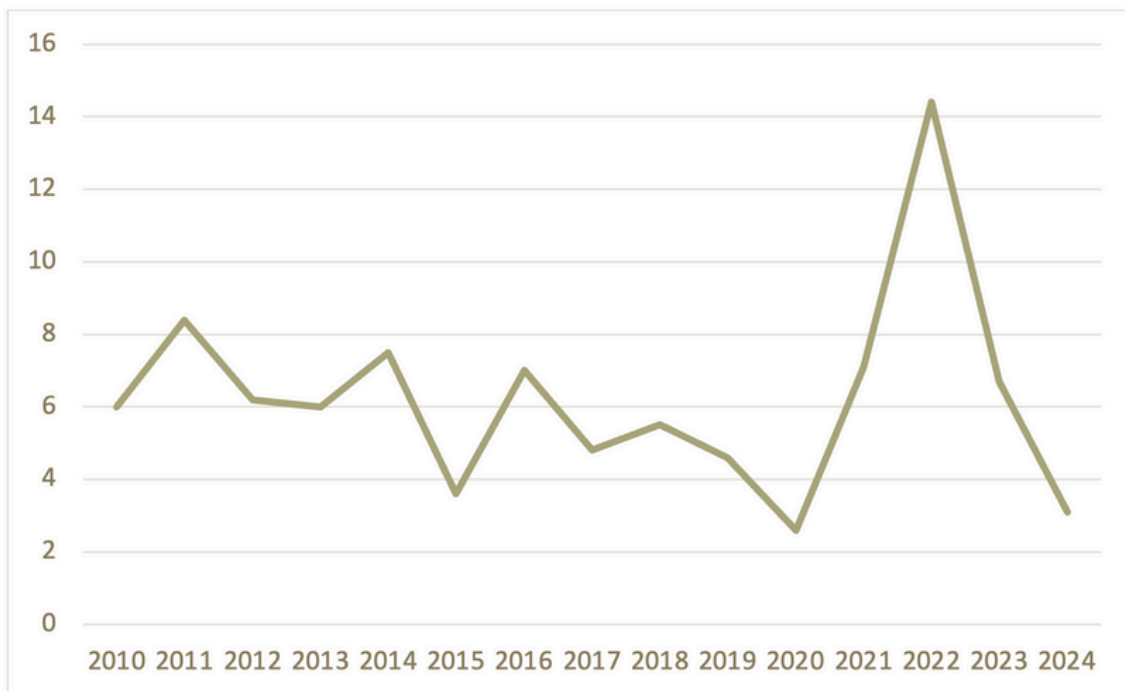
# Producer Price Index

The Producer Price Index (PPI) measures the average change in the price of a basket of representative goods and services sold by manufacturers and producers in the wholesale market, while CPI measures price changes in a basket of goods and services bought by the average household.

The PPI can assist us in understanding what inflation might do in future. Many factors can influence the inflation rate, but the trend in PPI is one way of predicting what prices will do in the short term.

The average Producer Price Index (PPI) increased from 6% in 2010 to 14.4% in 2022 and fell to 3.1% in 2024.

**Figure 9:** Average Producer Price Index (PPI) | 2010 - 2024



Source: Statistics South Africa

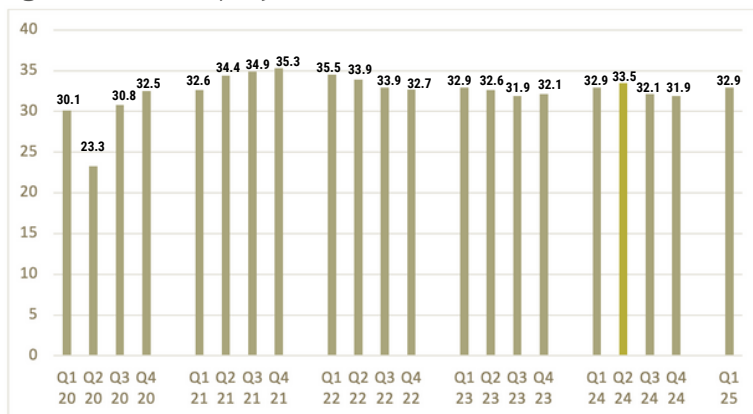
# Unemployment rate

## Q1 2020 - Q1 2025

The unemployment rate is the proportion of the labour force that is unemployed.

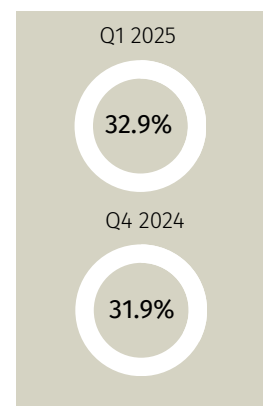
The official unemployment rate increased to 32.9%, in the first quarter of 2025 from 31.9% in the fourth quarter of 2024.

Figure 10: Unemployment rate (%) | Q1 2020 - Q1 2025



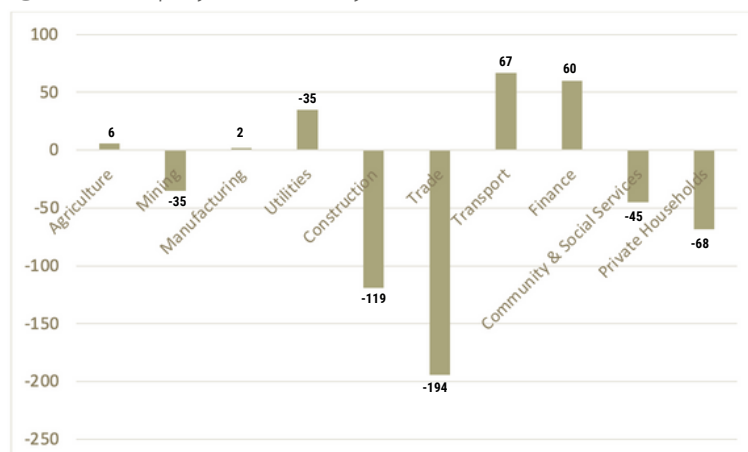
Source: Quarterly Labour Force Survey

Unemployment rate



Between Q4 2024 and Q1 2025, employment declined in five of ten industries. The biggest losses were in trade (194,000), construction (119,000), private households (68,000), community and social services (45,000), and mining (35,000). The largest job gains were in transport (67,000), finance (60,000), and utilities (35,000).

Figure 11: Employment rate by industries | Q1 2025

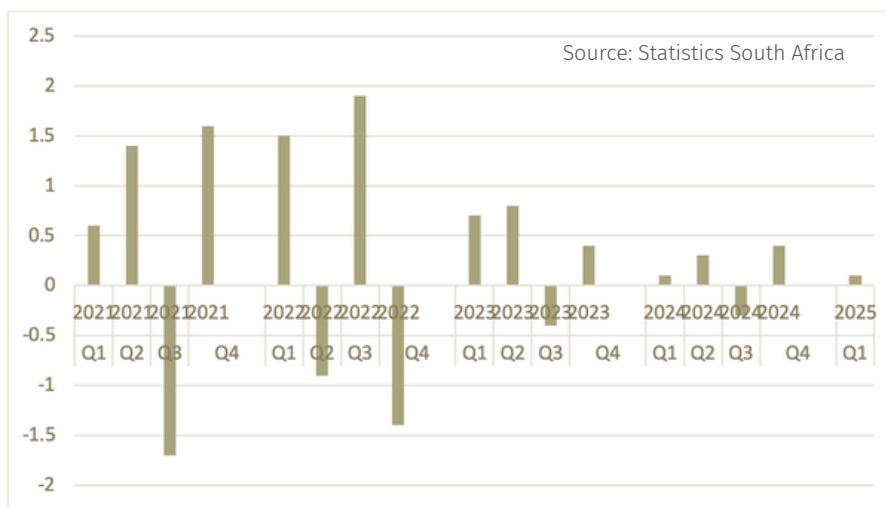


Source: Quarterly Labour Force Survey

# Economic growth & GDP (Q1 2025)

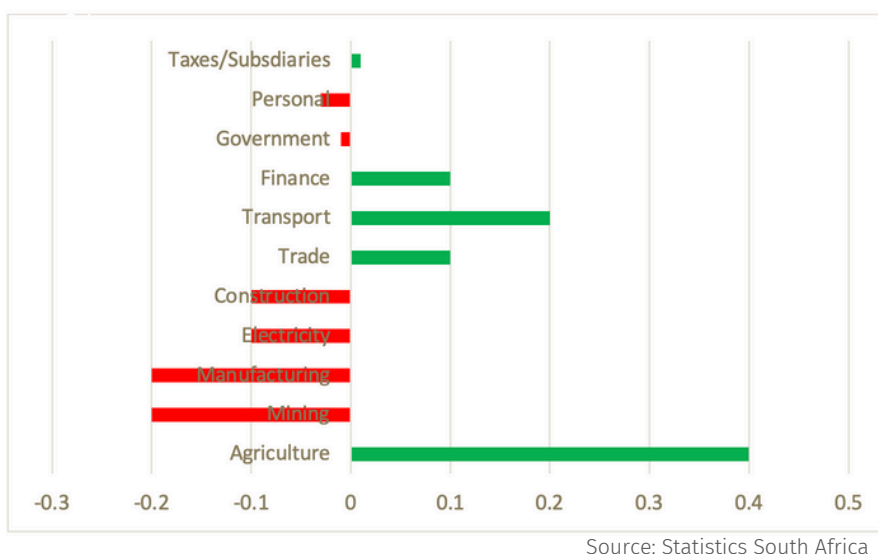
The GDP represents the total market value, or prices, of all final goods and services produced in an economy during a period. GDP is expressed as a comparison to the previous year or quarter.

Figure 12: Growth in GDP % | Q1 2025



Real gross domestic product (GDP) measured by production declined to 0,1% in the first quarter of 2025, following a 0,4% increase in the fourth quarter of 2024.

Figure 13: Contributions to growth (%) in GDP by Industries in Q1 2025

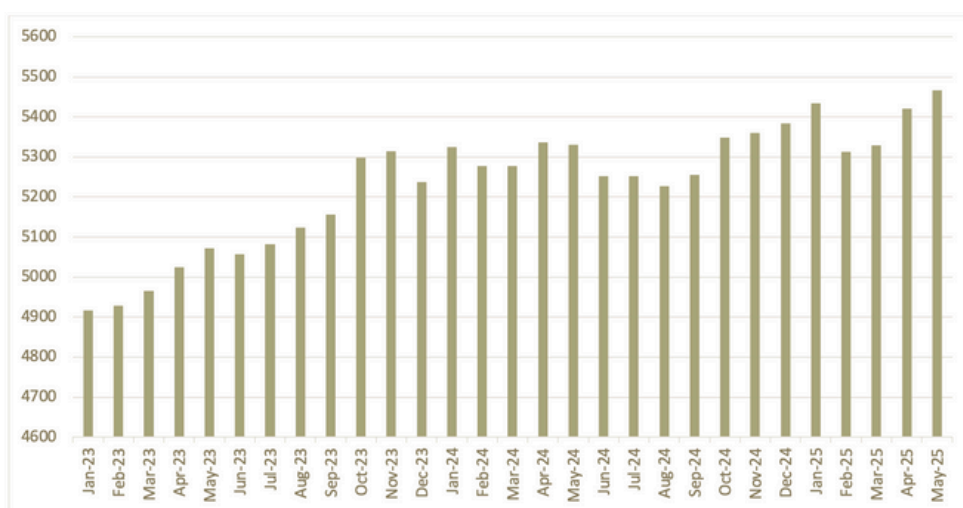


Between Q4 2024 and Q1 2025, four industries showed growth. Agriculture led with a 15.8% increase, adding 0.4 percentage points to GDP growth. Transport grew by 2.4% (0.2 points), and finance by 0.2% (0.1 points). Manufacturing was the biggest drag, shrinking by 2.0% and subtracting 0.2 points from GDP.

# Month-on-month household food basket index | Jan 2023 - May 2025

The household food index is specifically designed to measure food price inflation as experienced by households living on low incomes in Pietermaritzburg, but may be used to give insight on food price inflation as experienced by households living on low incomes in South Africa.

Figure 14: The cost of the household food basket | JAN 2023 to MAY 2025



Source: Pietermaritzburg Economic Justice and Dignity

◀ The cost of the household food basket rose from R4,917 in January 2023 to R5,461 in May 2025, an increase of R550 or 11.1% over the period.

# Wage indicators

You can track median wage increases across industries using the LRS Actual Wage Rates Database (AWARD). AWARD is located at [www.lrs.dedicated.co.za/award](http://www.lrs.dedicated.co.za/award)

Table 1 shows percentage wage increases across industries in the first quarter of 2025, based on a sample of approximately 212 collective bargaining agreements from unions at bargaining councils, national companies, and plant level negotiations.

Agriculture recorded the lowest median wage increase at 5.5% in Q1 2025, followed by community services, construction, finance, manufacturing, mining, and wholesale at 6%.

Agriculture recorded the lowest median wage increase at 5.5% in Q1 2025, followed by community services, construction, finance, manufacturing, mining, and wholesale at 6%.

Electricity and transport saw higher increases at 7%, while retail recorded 6.3%. The overall median across all agreements was 6%.

Table 1: Median increases by industry (%) | Q1 2025

Industry	Median Wage Increase (%)
Agriculture, Hunting, Forestry & Fishing	5,5
Community, Social & Personal Services	6
Construction	6
Electricity, Gas & Water	7
Financing, Insurance, Real Estate & Business Services	6
Manufacturing	6
Mining & Quarrying	6
Transport, Storage & Communication	7
Wholesale & Retail Trade, Catering & Accommodation	6,3
AWARD Benchmark (All agreements)	6

Source: LRS Actual Wage Rates Database

The **median** is the number which is found in the middle of a range of numbers. For example, if the range of numbers is 2, 4, 6, 8, 10, 12, 14, 16, 18 then the median is 10.

# References

Labour Research Service, Actual Wage Rates Database (AWARD).

Available at <https://lrs.dedicated.co.za/award/>

Consumer Price Index, Gross Domestic Product, Quarterly Labour Force Survey publications. Available at <http://www.statssa.gov.za>

Pietermaritzburg Economic Justice and Dignity, Household Affordability Index.

Available at <https://pmbejd.org.za>

“

**KNOWLEDGE**  
IS TOO IMPORTANT TO  
LEAVE IN THE  
HANDS OF THE  
**BOSSES**