June 2026

Bargaining Benchmarks

A resource for trade union negotiators in South Africa

LRS Labour Research Service

40 YEARS WORKING FOR WORKERS 1986 – 2026

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 have limited scope to buy the information that they might need. It is also true that much of the available information is not in a form that is easily understood by negotiators.

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

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Definitions

CPI / Consumer Price Index	Measures change in the price level of the 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 per cent rate of increase in 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, 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: The Cost of Living

Inflation

The increase in prices over a certain time. Measured as an annual percentage increase, for example, March 2025 to March 2026. Almost always presented as an annualised number covering the previous 12 months.

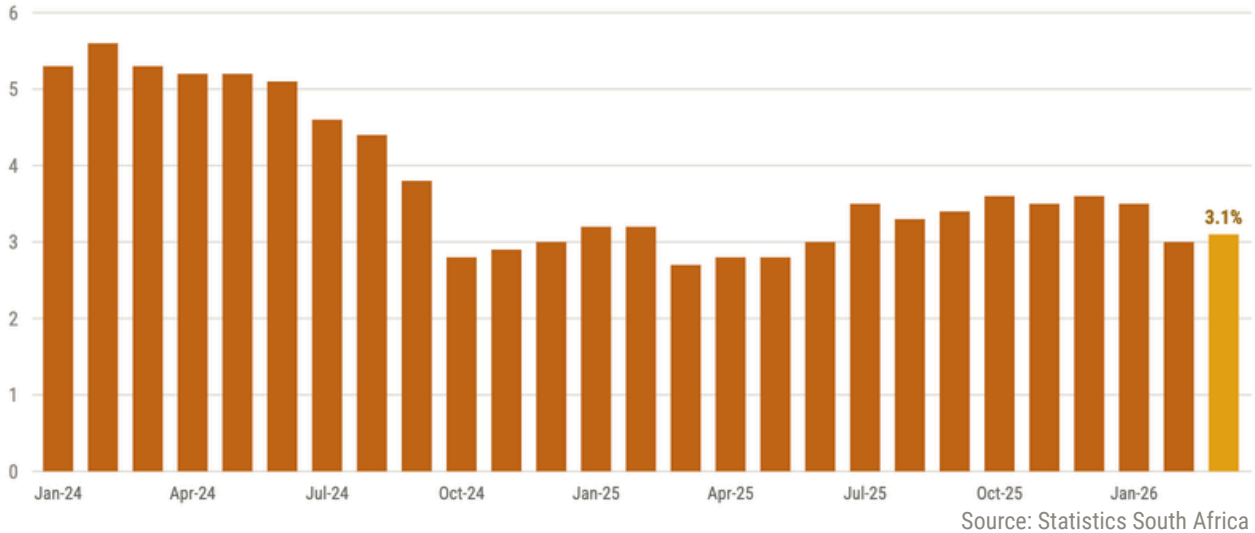
Inflation is **backward-looking**. If the latest inflation number is for March 2026 and is reported as 3.1%, that tells us what happened to prices over the previous 12 months, from March 2025 to March 2026.

Think of it as buying power

If a worker gets a 10% increase but the goods they buy also rise 10%, they can buy no more than before. They have the same buying power despite more money in hand.

Figure 1 shows the inflation rate easing over the period, then settling in early 2026, at 3.5% in January, 3.0% in February, and 3.1% in March.

Figure 1: Consumer Price Index (CPI) Q1 2024 – Q1 2026



Source: Statistics South Africa

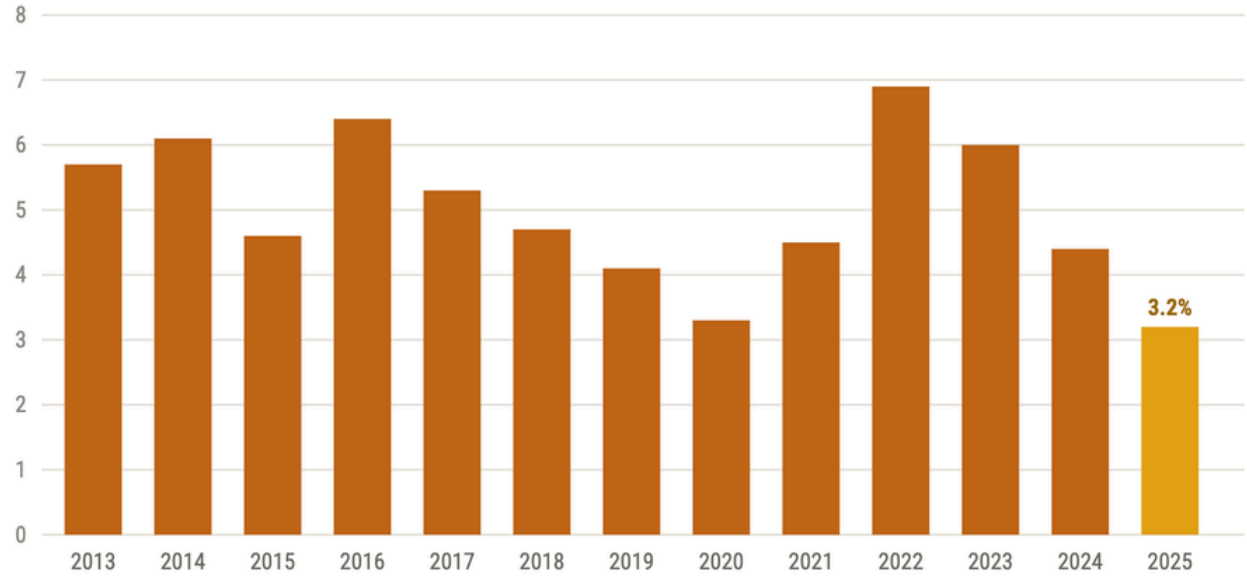
Remember that the inflation rate describes a rate of increase. So, if annualised inflation is lower this month than it was last month, it does not mean that things are cheaper. It just means that prices increased more slowly than they did before.

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

Lower inflation does not mean things are cheaper, only that prices are rising more slowly.

Average Consumer Price Index

Figure 2: Average Consumer Price Index (CPI) 2013 – 2025



Source: Statistics South Africa

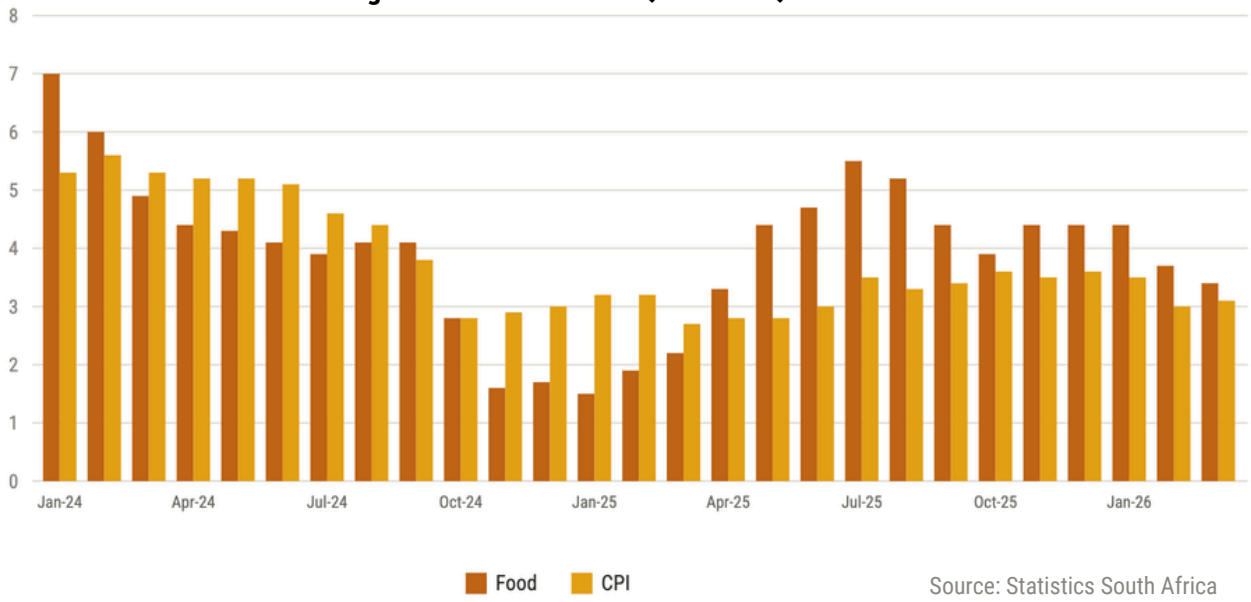
Food Price

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

Figure 3 describes food prices from 2024 to 2026. The figure also tracks inflation over the period and shows the movement of these prices in each quarter.

Food prices and the inflation rate fluctuated from the first quarter of 2024 to the fourth quarter of 2025. Food prices consistently outpaced the inflation rate from the second quarter of 2025 to the first quarter of 2026.

Figure 3: The Food Price Q1 2024 – Q1 2026



Source: Statistics South Africa

Transport Price

The transport price index reflects the price level of transport items in the basket that makes up the inflation index. This rate is incorporated into the overall CPI inflation rate.

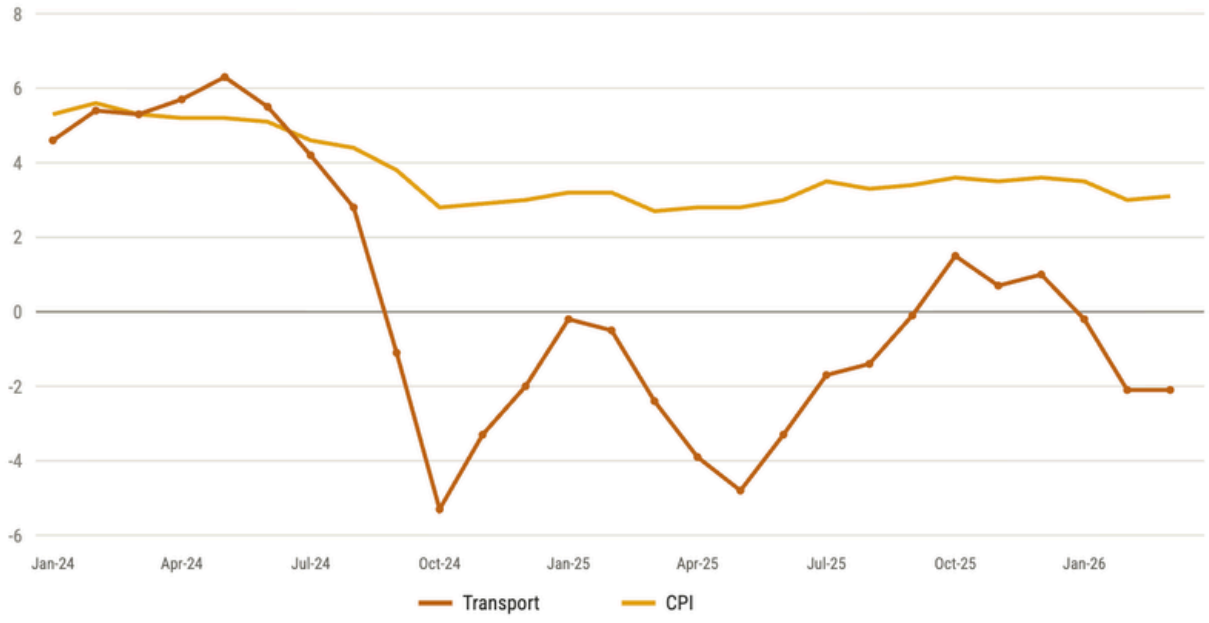
15 of 19
months in deflation, Sep 2024 – Mar 2026

Transport prices surpassed inflation in the second quarter of 2024, then entered a prolonged decline. For over a year from late 2024, they stayed below the general inflation level.

-4.8%
the low point, May 2025

Although Q4 2025 saw a minor upward trend in transport prices, they remained below the annual inflation rate and declined again in the first quarter of 2026.

Figure 4: Transport Price 2024 – 2026



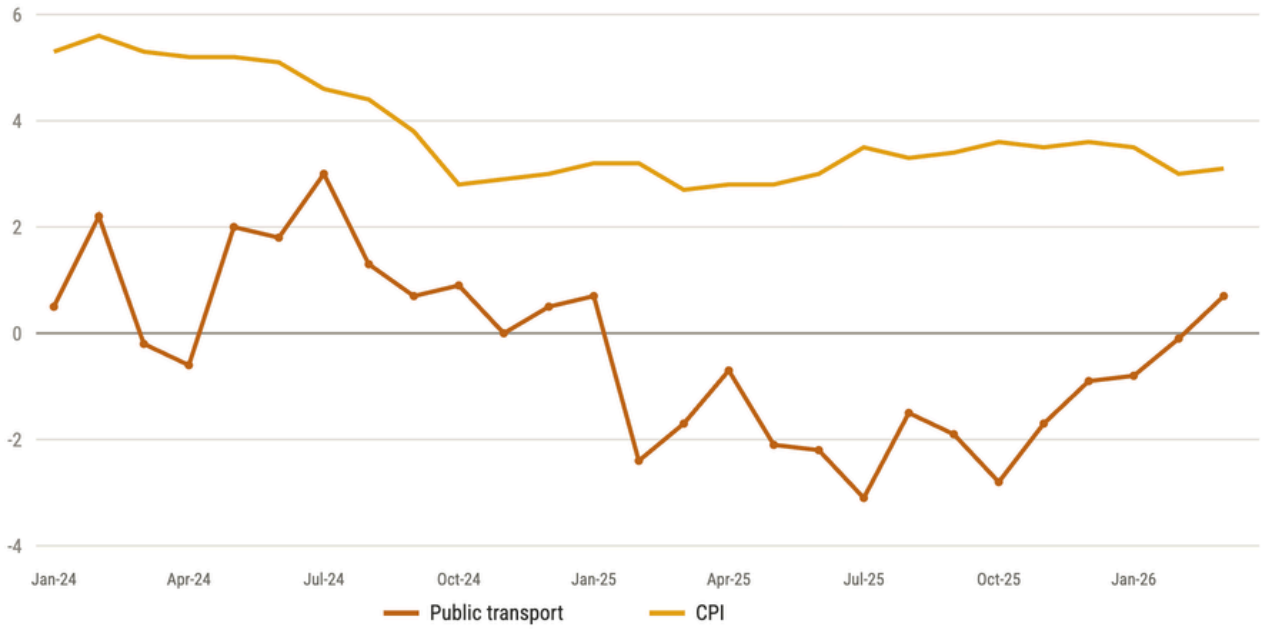
Source: Statistics South Africa

Public Transport Price

The public transport price index indicates increases in fares for taxis, trains, buses, and other forms of public transport that carry passengers or goods. This rate is incorporated into the overall CPI inflation rate.

Figure 5 describes public transport prices from 2024 to 2026, tracking them against inflation across each quarter. After moving around through 2024, public transport prices settled below the inflation rate for most of 2025, returning to just positive by early 2026.

Figure 5: Public Transport Price 2024 – 2026



Source: Statistics South Africa

Administered Price

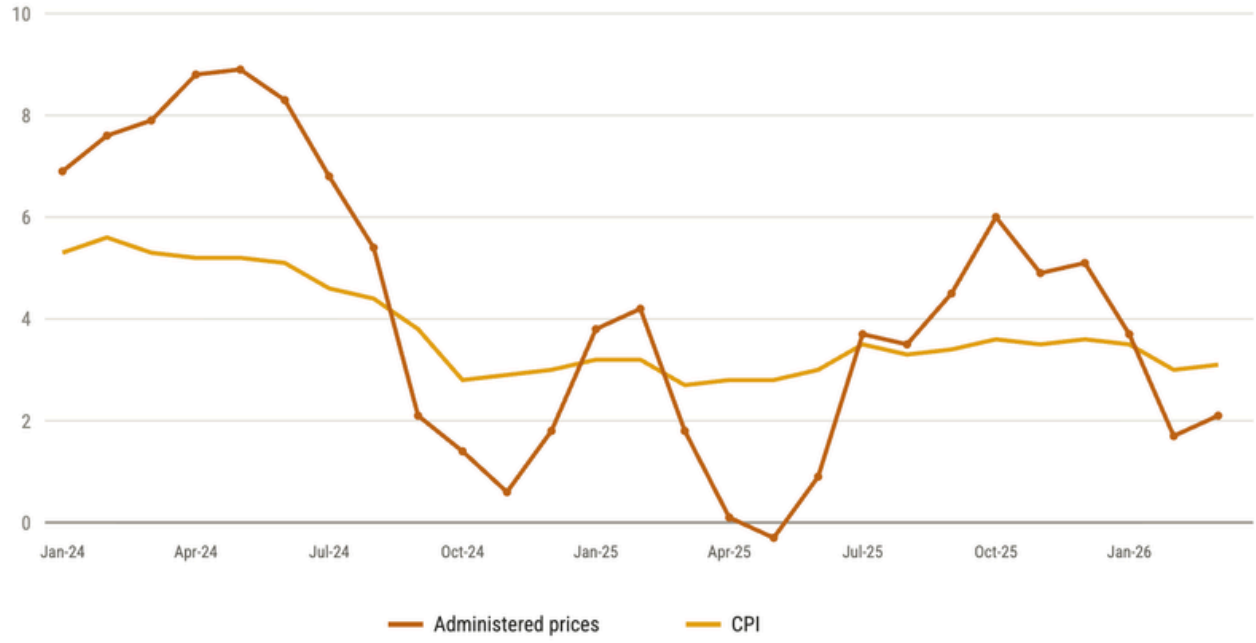
An administered price is set consciously by a producer or determined by government, rather than by market forces. Examples include school fees, telephone and cell charges, electricity, trains, petrol and paraffin. This rate is incorporated into the overall CPI inflation rate.

8.9%

administered-price peak, May 2024, against CPI of 5.2%

Administered prices exceeded inflation before a notable dip toward the end of 2024. The first half of 2025 fluctuated, with a brief surge then a three-month decline. From the third quarter of 2025 prices climbed steadily; in early 2026 they sat above inflation in January but fell below it in February and March.

Figure 6: Administered Price 2024 – 2026



Source: Statistics South Africa

Inflation by Expenditure Group

There is more than one inflation rate. Different groups experience different rates because they buy different things.

DECILE 1 · POOREST

2.2%

below the 3.1% headline rate

DECILE 10 · RICHEST

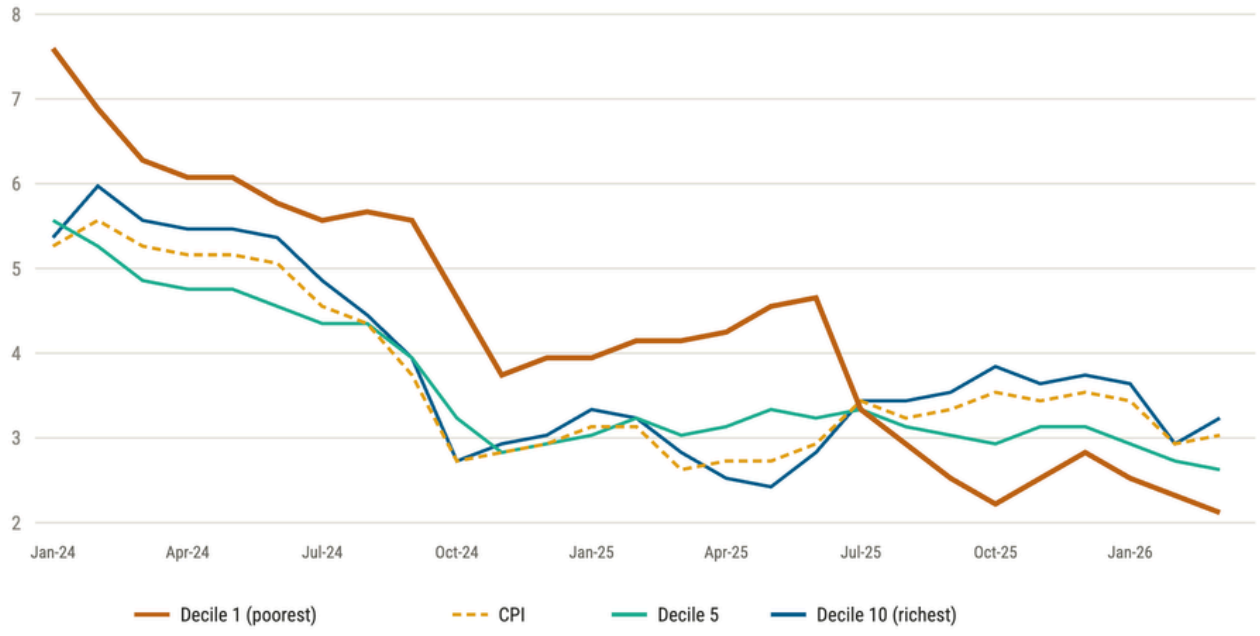
3.3%

above the 3.1% headline rate

An expenditure decile divides the population into ten equal groups by household spending, from the poorest 10% to the wealthiest.

The pressure of rising prices is not spread evenly. In early 2024 the poorest faced the highest inflation of all; by March 2026 that had reversed, with decile 1 the lowest and decile 10 the highest.

Figure 7: Annualised inflation by expenditure group 2024 – 2026



Source: Statistics South Africa

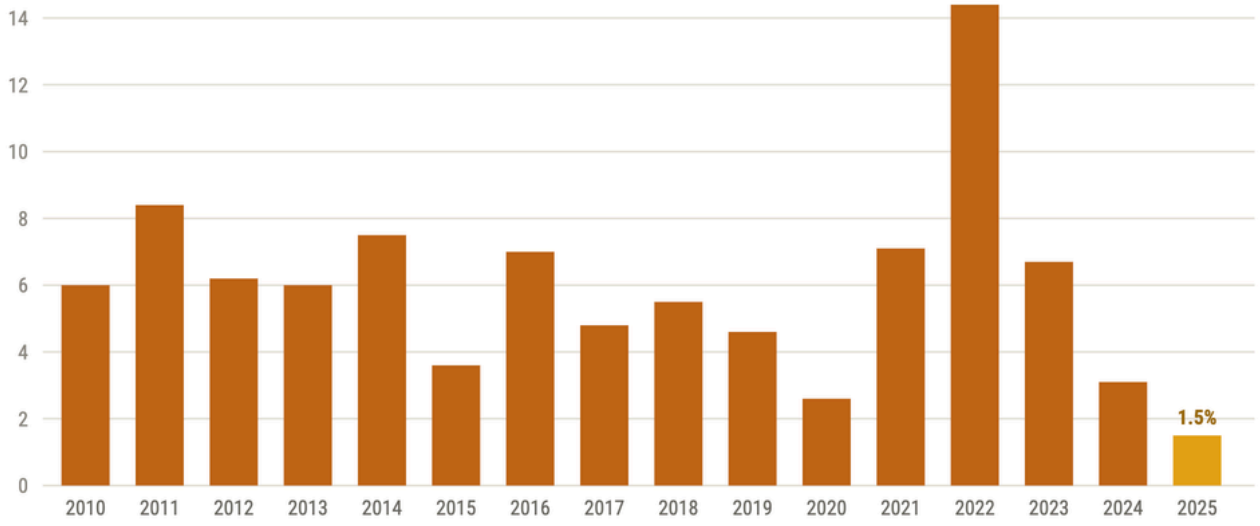
Producer Price Index

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

PPI helps signal what inflation might do next. Many factors influence the inflation rate, but the trend in PPI is one way of anticipating where prices may go in the short term.

Average PPI rose from 6% in 2010 to a peak of 14.4% in 2022, then fell sharply to 1.5% in 2025.

Figure 8: Average Producer Price Index (PPI) 2010 – 2025



Source: Statistics South Africa

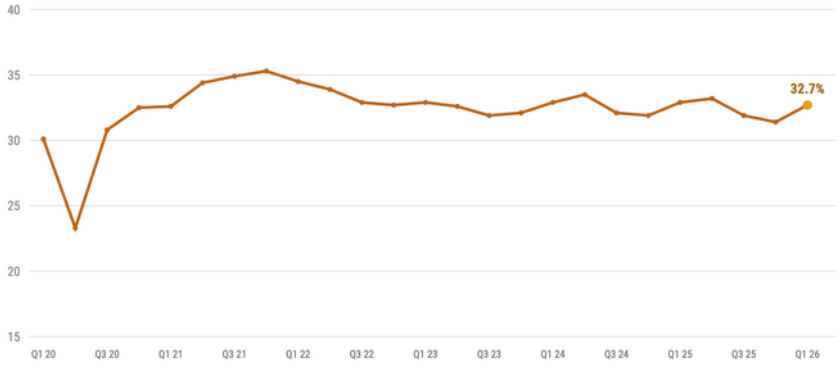
Unemployment rate

The official unemployment rate is the percentage of the labour force that is unemployed. An unemployed person is aged 15 to 64, did not work in the last seven days, wants to work, is available, and actively sought work in the previous four weeks.

32.7%

official rate, Q1 2026, up from 31.4% in Q4 2025

Figure 9: Unemployment Rate (%) 2020 – 2026



Source: Statistics South Africa

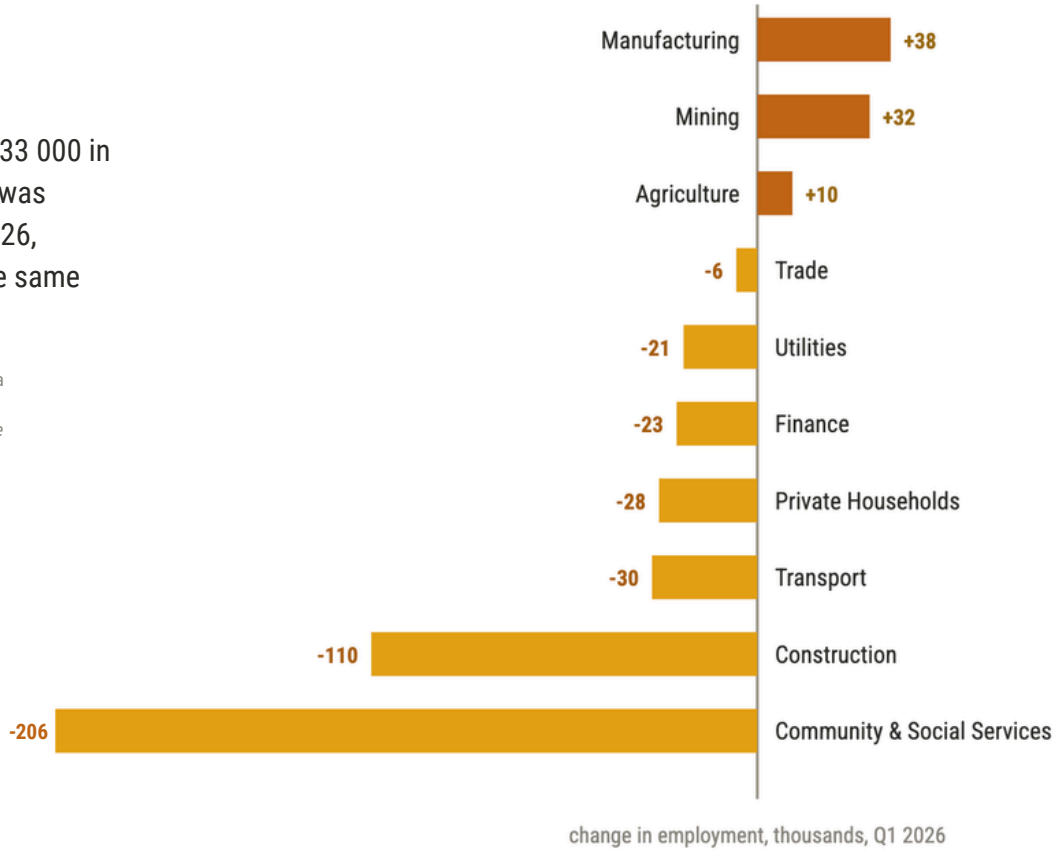
The official unemployment rate rose to 32.7% in the first quarter of 2026, up from 31.4% in the last quarter of 2025.

Figure 10: Change in employment by industry, Q1 2026 (thousands)

A net decrease of 33 000 in total employment was recorded in Q1: 2026, Compared with the same period last year.

Source: Statistics South Africa

**Note: industry figures exclude 'Other' and may not sum to the total due to rounding.*

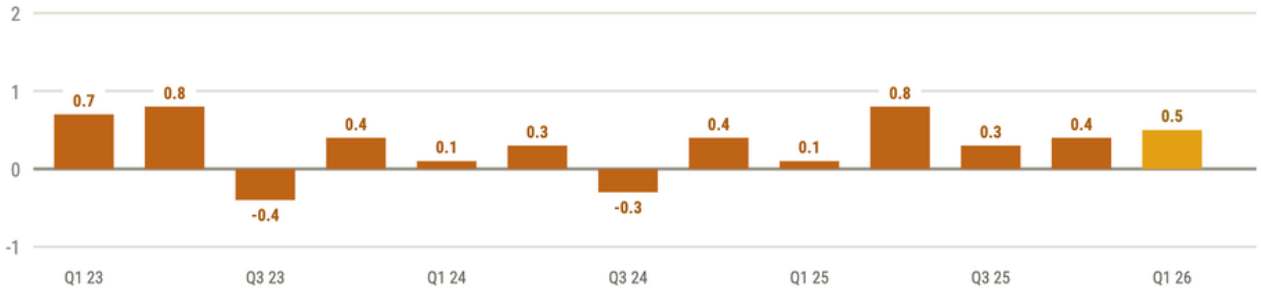


Gross Domestic Product

GDP is the total market value of all final goods and services produced in the economy over a period. It is expressed as a comparison to the previous quarter or year.

Real GDP, measured by production, grew by 0.5% in the first quarter of 2026, following 0.4% growth in the fourth quarter of 2025.

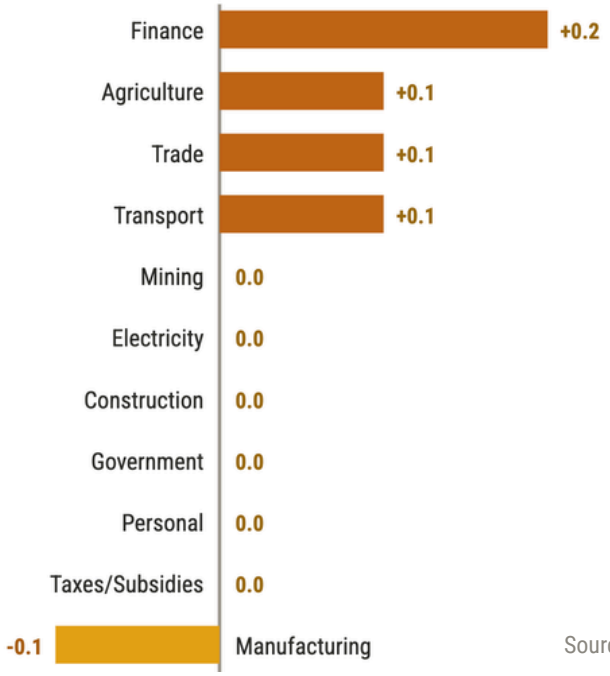
Figure 11: Growth in GDP (%) Q1 2023 – Q1 2026



Source: Statistics South Africa

Finance made the largest contribution to growth (0.2%), followed by agriculture, trade and transport (0.1% each). Manufacturing detracted from growth (−0.1%).

Figure 12: Contributions to growth (%) in GDP by industry, Q1 2026



Source: Statistics South Africa

Household Food Index

The household food index, developed by PMBEJD with women living on low incomes, tracks what a typical low-income food basket costs in Pietermaritzburg. Although local, it gives a useful picture of food price inflation faced by low-income households across South Africa.

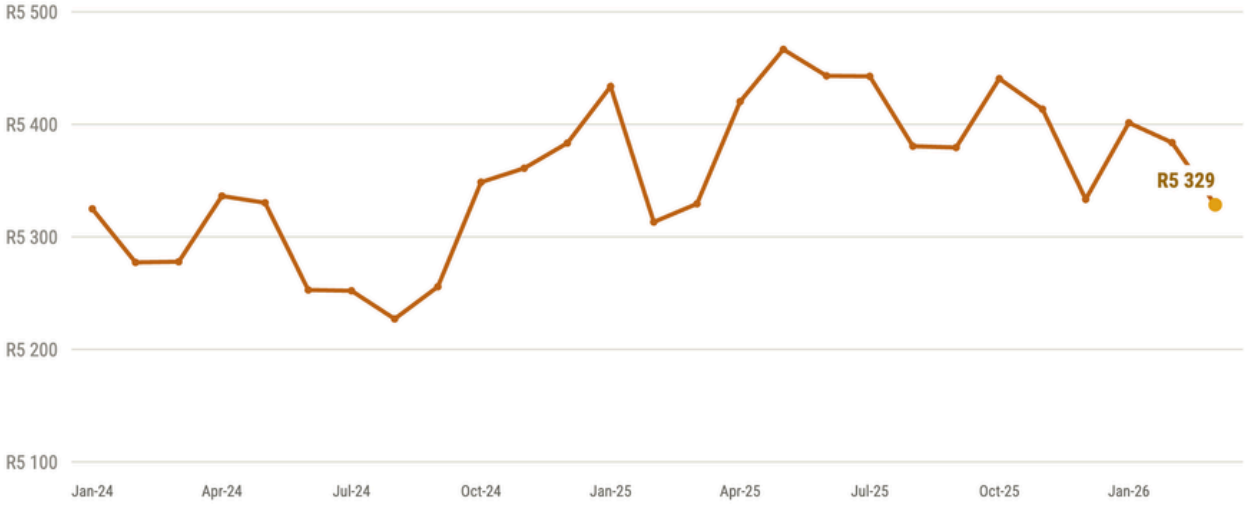
FOOD BASKET

R554

more than the national minimum wage (40-hour week).

The basket cost R5 441 in October 2025, eased to R5 333 by December, and declined again through the first quarter of 2026 while staying above R5 300. Even after that decline, in March 2026 it sat just R561 above the national minimum wage for a 45-hour week, and R554 above it for a 40-hour week.

Figure 13: The Cost of the Household Food Basket 2024 – 2026



Source: Pietermaritzburg Economic Justice and Dignity

Industry Wage Settlements

The LRS Actual Wage Rates Database (AWARD) records median wage increases across industries, offering insight into negotiation trends that can strengthen your bargaining case. The table shows median settlements for the first quarter of 2026.

6.0%

benchmark settlement, well above CPI of 3.1% (March 2026)

Table 1: Median Increases by Industry (%) Q1 2026

Industry	Median %
Wholesale & Retail Trade, Catering & Accommodation	5.0
Agriculture, Hunting, Forestry & Fishing	5.3
Community, Social & Personal Services	6.0
Financing, Insurance, Real Estate & Business Services	6.0
Manufacturing	6.0
Mining & Quarrying	6.0
Transport, Storage & Communication	6.0
Construction	6.3
Electricity, Gas & Water	7.0
AWARD Benchmark (all agreements)	**6.0**

Source: Labour Research Service, Actual Wage Rates Database, Q1 2026

The median is the middle value in a range. For 2, 4, 6, 8, 10, 12, 14, 16, 18, the median is 10.

References

Labour Research Service Actual Wage Rates Database.
Available at: https://lrs.dedicated.co.za/award/

Statistics South Africa CPI, GDP, QLFS publications. Available at: http://www.statssa.gov.za

Pietermaritzburg Economic Justice and Dignity. Available at: https://pmbejd.org.za

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