

September 2026

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 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.

Table of Contents

Definitions	.....	3
Price inflation	.....	4-5
Average consumer price	.....	5
Food price	.....	6
Transport price	.....	7
Public transport price	.....	8
Administered prices	.....	9
Inflation by expenditure group	.....	10
Producer price index	.....	11
Unemployment	.....	12
Employment by industry	.....	13
Gross Domestic Product	.....	14
GDP industry contribution	.....	15
Household food index	.....	16
Industry wage settlements	.....	17
References	.....	18

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, June 2025 to June 2026. Almost always presented as an annualised number covering the previous 12 months.

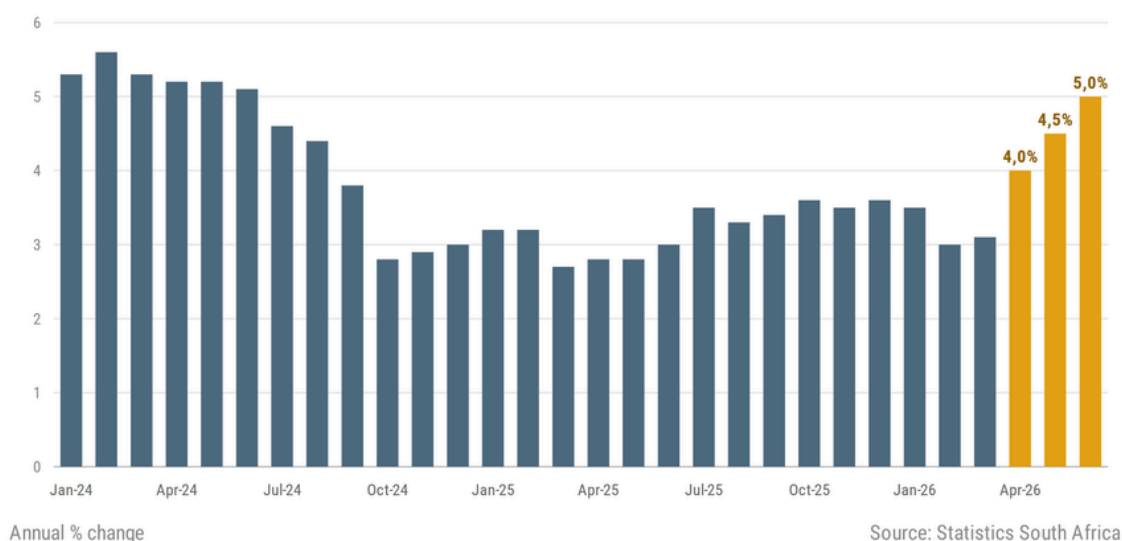
Inflation is **backward-looking**. If the latest inflation number is for June 2026 and is reported as 5%, that tells us what happened to prices over the previous 12 months, from June 2025 to June 2026.

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 inflation climbing through the second quarter of 2026: 4,0% in April, 4,5% in May and 5,0% in June. That is up from 3,1% in March, and the highest rate since June 2024.

Figure 1: Consumer Price Index (CPI) Q1 2024 – Q2 2026



+1,9

percentage points, March to June 2026.

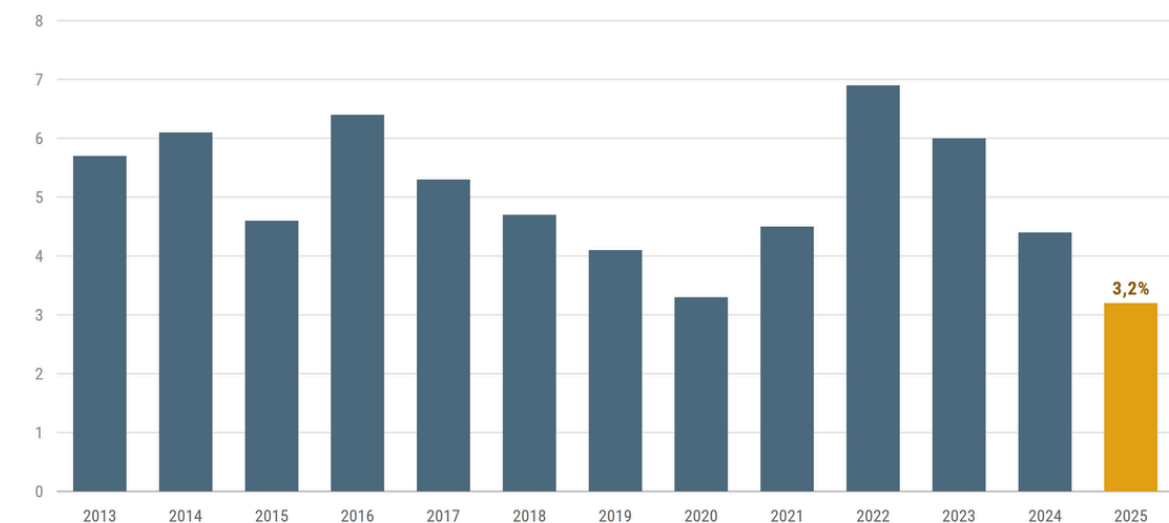
Remember that the inflation rate describes a rate of increase. When annualised inflation rises, prices are going up faster than before. When it falls, things are not cheaper. Prices are just rising more slowly.

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

With inflation at 5%, a 5% wage increase buys the same as last year's wage. A smaller increase buys less.

Average Consumer Price Index

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



Annual average, %

Source: Statistics South Africa

Food Price

The food price index measures the monthly change in the price of food products only. This rate is part of the overall CPI inflation rate.

Food prices ran above the inflation rate for 12 months, from April 2025 to March 2026. In the second quarter of 2026 that reversed. Food inflation fell to 2,8% in April, 1,6% in May and 1,4% in June, while headline inflation climbed to 5,0%.

1,4%

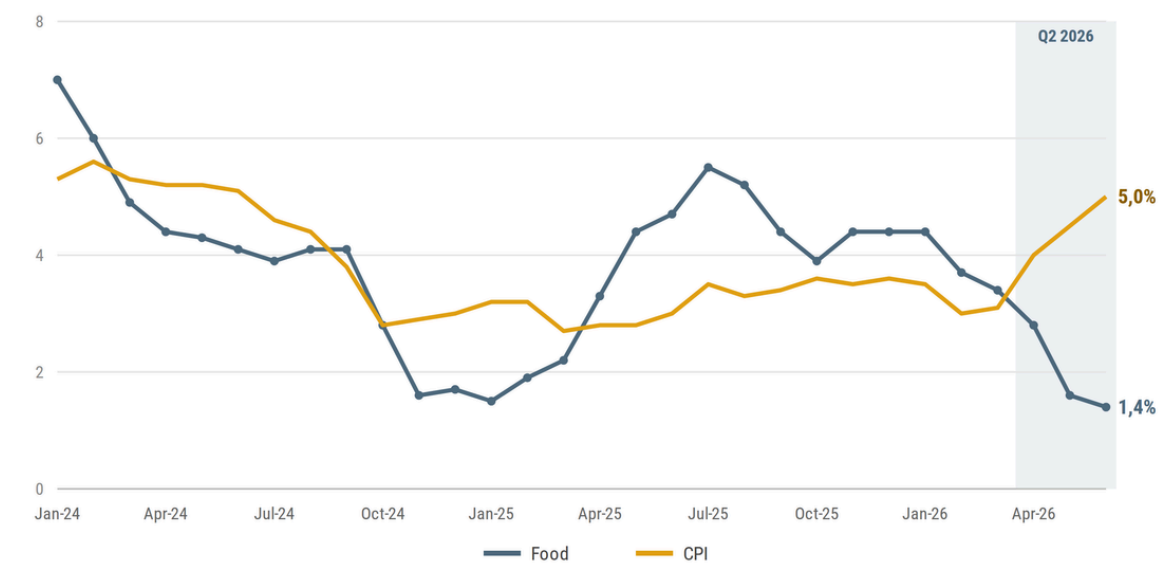
food inflation, June 2026,
against CPI of 5,0%.

12 months

food above CPI, April 2025
to March 2026.

Slower food inflation does not mean cheaper food. Prices are still rising, just more slowly.

Figure 3: The Food Price Q1 2024 – Q2 2026



Annual % change

Source: Statistics South Africa

Transport Price

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

Transport prices were below inflation from mid-2024 and fell for most of 2025. That changed in the second quarter of 2026. Transport inflation jumped from -2,1% in March to 4,9% in April, 9,4% in May and 12,7% in June.

12,7%

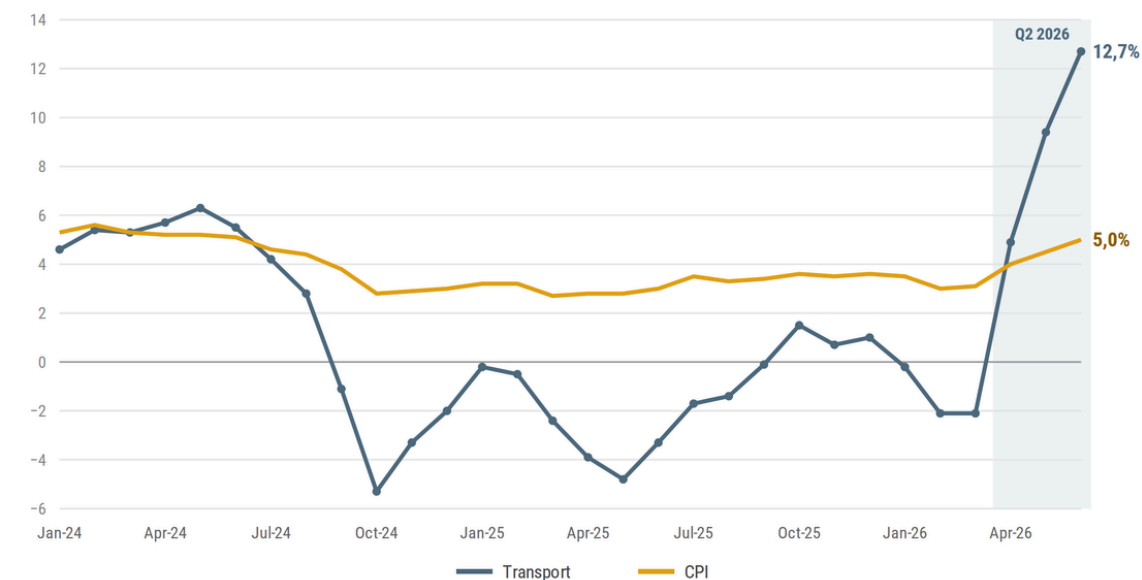
transport inflation, June 2026, against CPI of 5,0%.

+14,8

percentage points, March to June 2026.

This is the first time since June 2024 that transport has run above inflation. Transport prices are now rising more than twice as fast as prices overall.

Figure 4: Transport Price Q1 2024 – Q2 2026



Annual % change

Source: Statistics South Africa

Public Transport Price

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

Public transport prices stayed below inflation from 2024 until May 2026, and fares fell for most of 2025. In the second quarter of 2026 fares started rising: 3,9% in April, 4,0% in May, then a jump to 12,5% in June.

12,5%

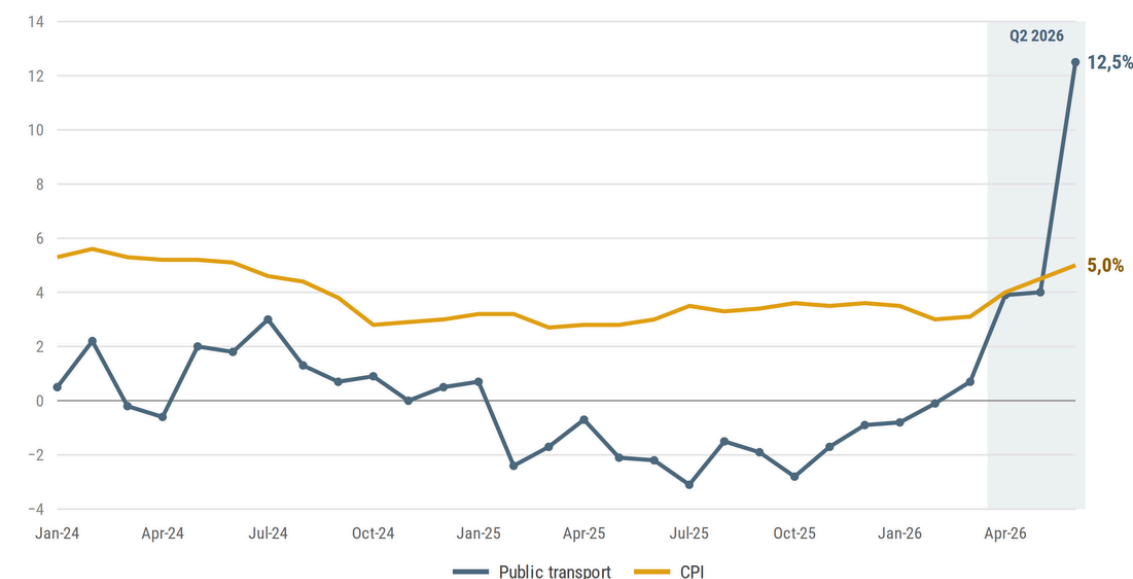
public transport inflation, June 2026, against CPI of 5,0%.

+8,5

percentage points in one month, May to June 2026.

June 2026 is the first time in the period shown that public transport has risen faster than inflation. For workers who commute by taxi, train or bus, this bites straight into the monthly wage.

Figure 5: Public Transport Price Q1 2024 – Q2 2026



Annual % change

Source: Statistics South Africa

Administered Prices

Administered prices are set by a producer or group of producers, or determined or influenced by government, rather than by market forces. Examples include school fees, telephone and cell charges, electricity, trains, petrol and paraffin. This rate is part of the overall CPI inflation rate.

Administered prices dipped below inflation in February and March 2026. In the second quarter they surged: 8,3% in April, 13,7% in May and 15,5% in June. That is the highest rate in the period shown, and more than three times headline inflation.

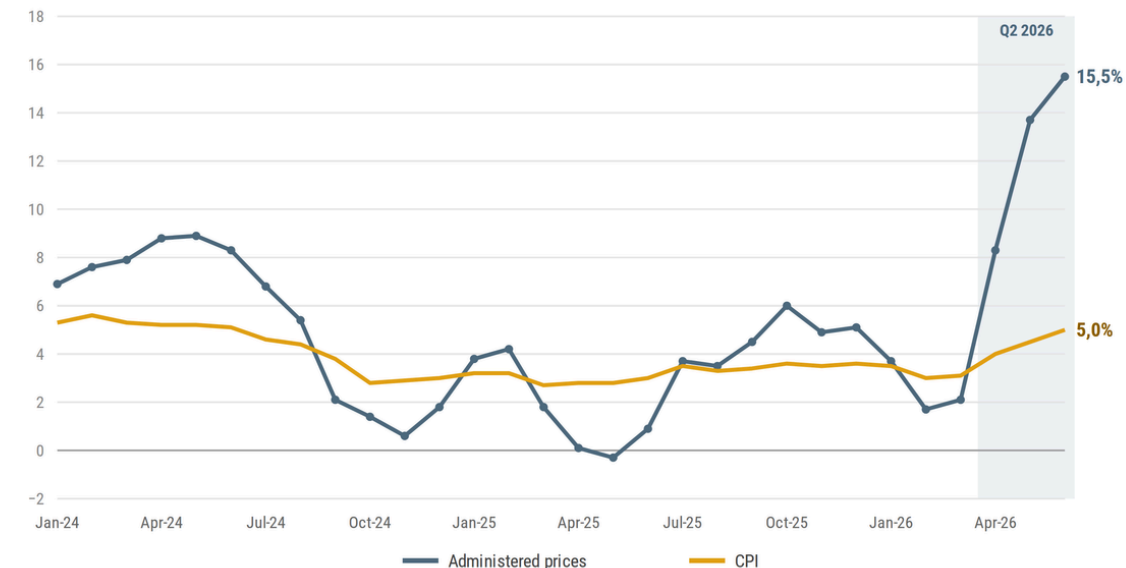
15,5%

administered prices, June 2026, against CPI of 5,0%.

+13,4

percentage points, March to June 2026.

Figure 6: Administered Prices Q1 2024 – Q2 2026



Annual % change

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

2,9%

below the 5,0% headline rate, June 2026.

DECILE 10 · RICHEST

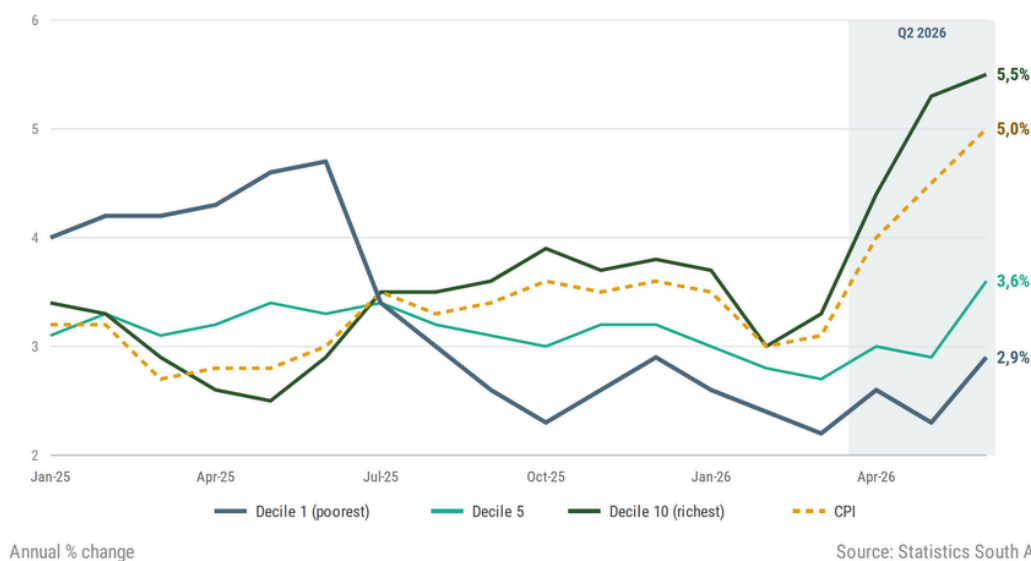
5,5%

above the 5,0% headline rate, June 2026.

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

In mid-2025 the poorest households faced the highest inflation: 4,7% in June 2025, against a headline rate of 3,0%. By June 2026 that had reversed. Poorer households spend a bigger share on food, where inflation slowed. Richer households spend more on transport, where prices jumped.

Figure 7: Annualised inflation by expenditure group Q1 2025 – Q2 2026



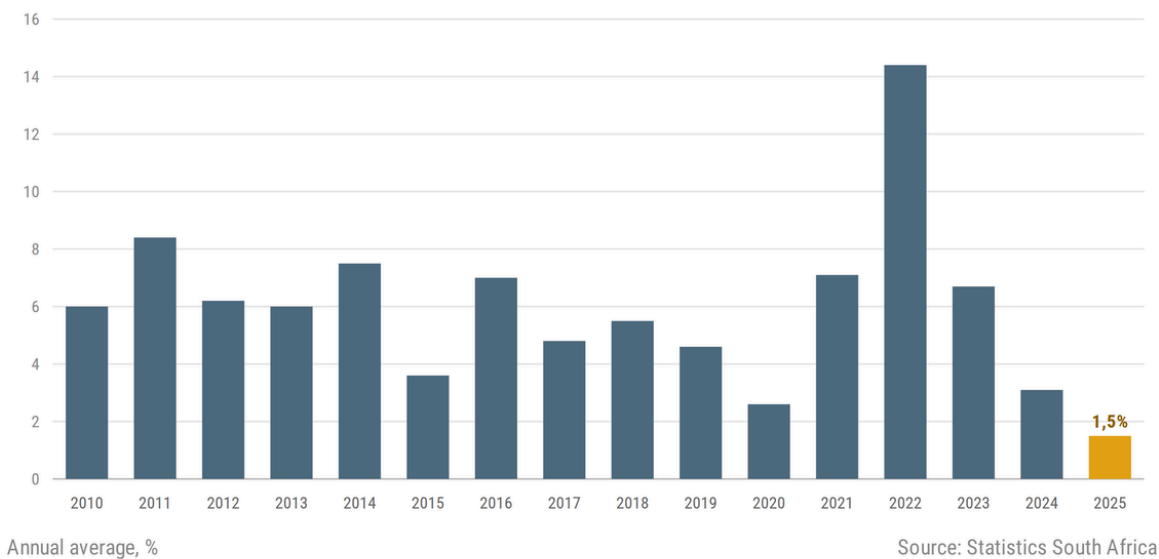
Producer Price Index

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 6,0% 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



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.

The official unemployment rate rose to 33,6% in the second quarter of 2026, up from 32,7% in the first quarter. That is the highest rate since the second quarter of 2022.

One in three people in the labour force is without work.

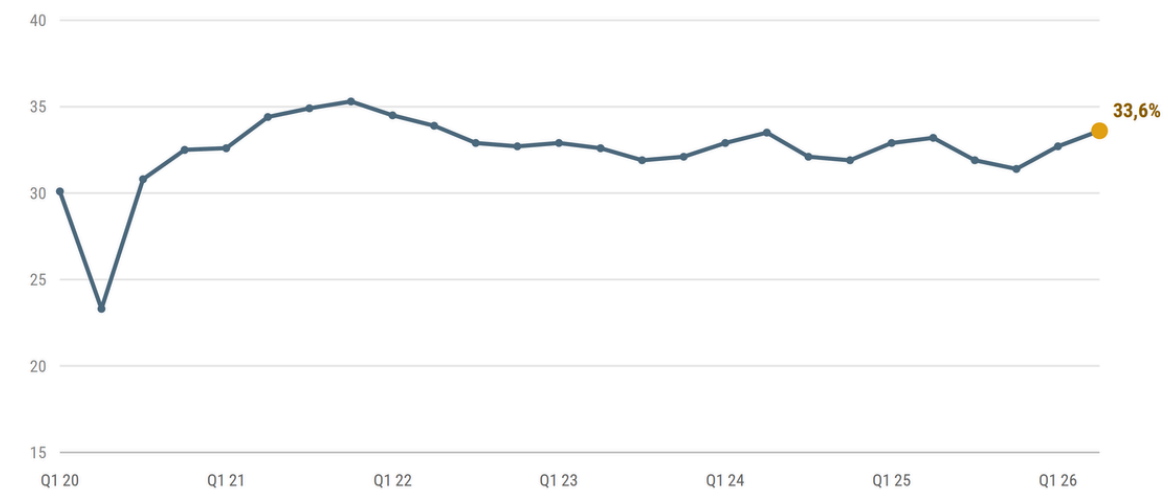
33,6%

official unemployment rate,
Q2 2026.

+0,9

percentage points, Q1 to Q2
2026.

Figure 9: Unemployment Rate (%) Q1 2020 – Q2 2026



Official rate, %

Source: Statistics South Africa, Quarterly Labour Force Survey

Employment by Industry

Q2 2026

Seven of the ten industries lost jobs in the second quarter of 2026. Community and social services shed the most, at 57 000, followed by mining (26 000), agriculture and manufacturing (15 000 each), utilities (10 000), private households (9 000) and transport (2 000).

Trade added 70 000 jobs, construction 39 000 and finance 11 000.

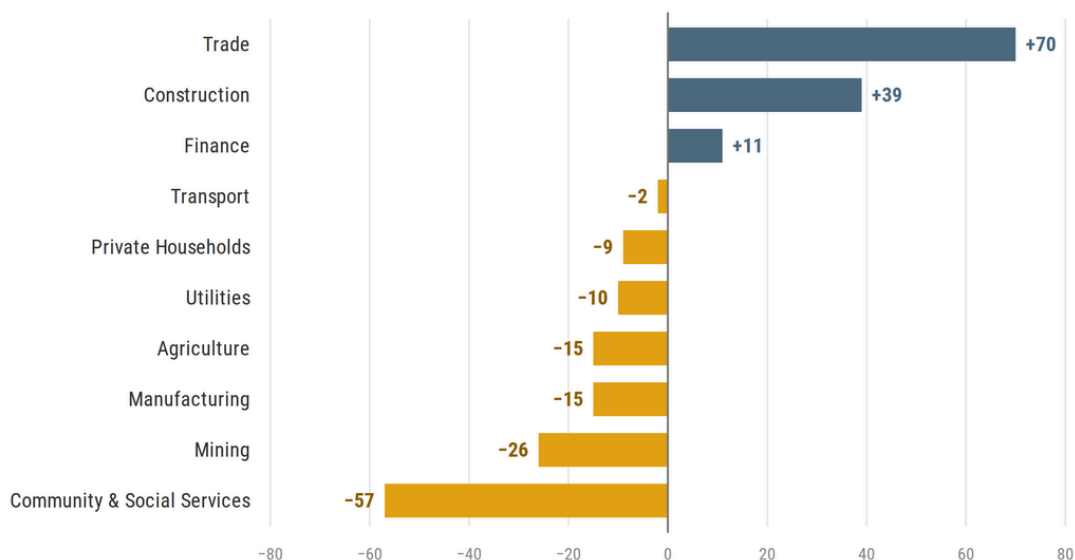
7 of 10

industries lost jobs, Q2 2026.

-57 000

community and social services, the largest loss.

Figure 10: Change in employment by industry, Q2 2026 (thousands)



Note: excludes 'Other'. May not sum to total due to rounding.

Source: Statistics South Africa, QLFS Q2 2026

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, fell by 0,2% in the second quarter of 2026, following growth of 0,4% in the first quarter.

-0,2%

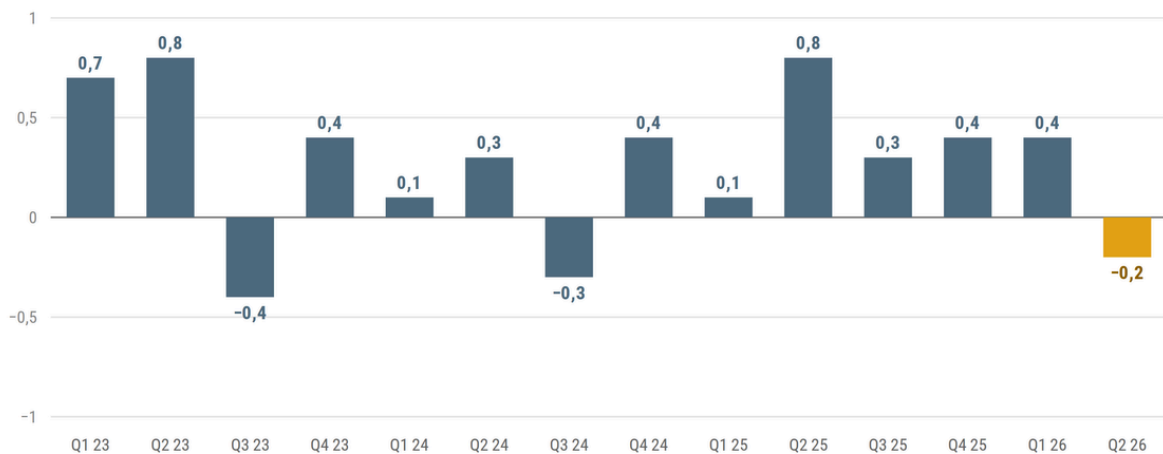
GDP growth, Q2 2026.

6 quarters

of growth ended, Q4 2024 to Q1 2026.

The economy shrank for the first time since the third quarter of 2024.

Figure 11: Growth in GDP (%) Q1 2023 – Q2 2026



Source: Statistics South Africa, GDP Q2 2026

Industry Contribution to GDP Growth

Three industries pulled growth down in the second quarter of 2026. Trade and manufacturing each took 0,2 of a percentage point off GDP growth, and mining took 0,1. Trade output fell by 1,9%, manufacturing by 1,8% and mining by 3,0%.

Finance, transport, government and personal services each added 0,1 of a percentage point.

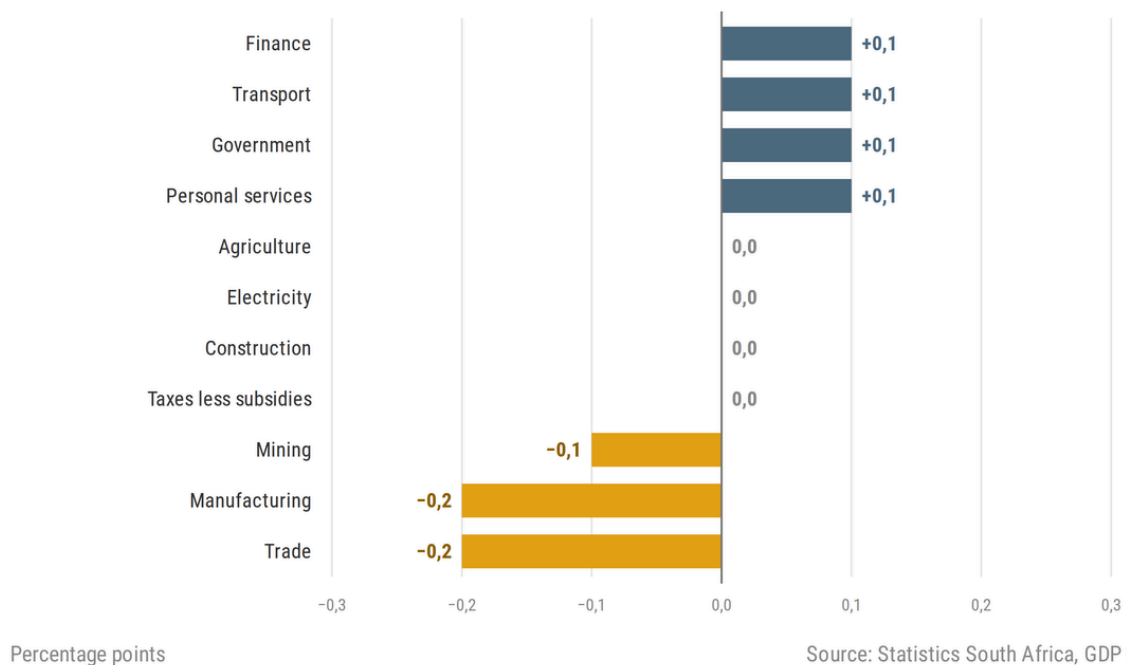
-3,0%

mining output, Q2 2026.

-1,8%

manufacturing output, Q2 2026.

Figure 12: Contributions to growth (%) in GDP by industry, Q2 2026



Source: Statistics South Africa, GDP Q2 2026

Household Food Index

The household food index is designed with women living on low incomes. It tracks what a basket of food costs low-income households, and measures food price inflation as they experience it. PMBEJD is based in Pietermaritzburg, but the index gives a picture of food price pressure on low-income households across South Africa.

The average household food basket cost R5 502 in June 2026. That is R178 more than in January 2024, and R174 of that rise came between March and June 2026.

R5 502

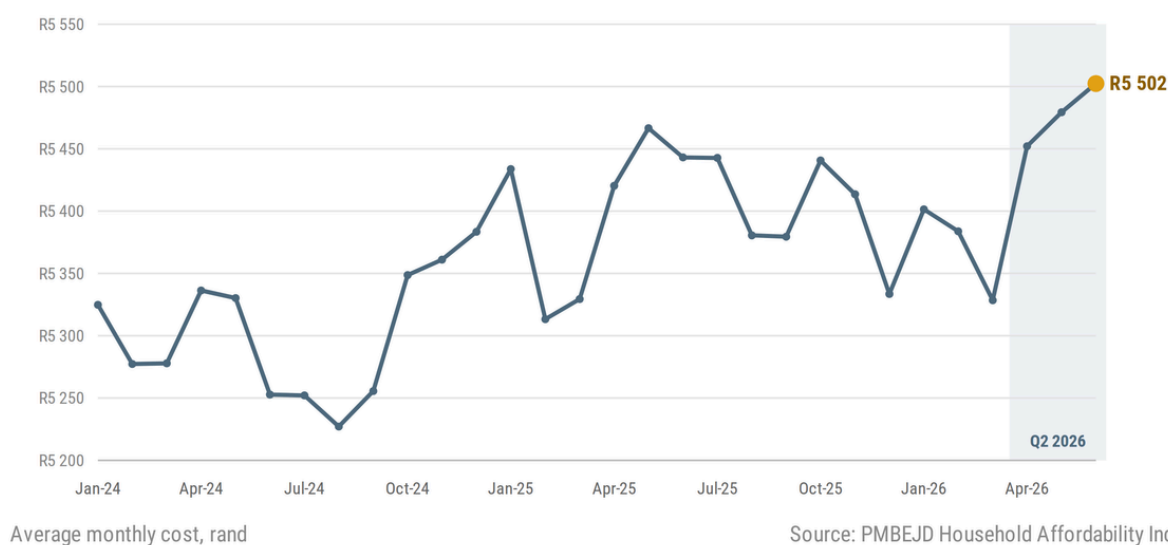
average household food basket, June 2026.

R424

more than a full-time minimum wage worker earns in a month.

A full-time worker on the national minimum wage earns R5 079 a month. That is R424 less than the cost of the food basket.

Figure 13: The Cost of the Household Food Basket Q1 2024 – Q2 2026



Note: minimum wage of R30,23 an hour, 8 hours a day, 21 days a month.

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.

Inflation was at 5,0% in June 2026. Settlements in agriculture and in wholesale and retail matched inflation, so workers kept their buying power but gained nothing in real terms. All other industries settled above inflation.

6,0%

median settlement in five of nine industries, against CPI of 5,0%.

+2,0

real increase, electricity, gas and water.

Table 1: Median Increases by Industry (%) Q2 2026

Industry	Median %	Real %
Wholesale & Retail Trade, Catering & Accommodation	5,0	0,0
Agriculture, Hunting, Forestry & Fishing	5,0	0,0
Community, Social & Personal Services	6,0	+1,0
Financing, Insurance, Real Estate & Business Services	6,0	+1,0
Manufacturing	6,0	+1,0
Mining & Quarrying	6,0	+1,0
Transport, Storage & Communication	6,0	+1,0
Construction	6,5	+1,5
Electricity, Gas & Water	7,0	+2,0
June 2026 inflation (CPI)	5,0	

Real % = median increase minus June 2026 inflation

Source: Labour Research Service, Actual Wage Rates Database, Q2 2026

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

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