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**2022**

**January**

**LRS** Labour  
Research  
Service

# Inflation Monitor

## The Consumer Price Index slowed to 5,7% in January 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, January 2021 to January 2022). A falling rate of inflation means that prices are rising at a slower rate.

The headline annual inflation rate was 5,7% in January 2022, from 5,9% in December 2021. The Consumer Price Index (CPI) increased by 0.2% month-on-month in January 2022.

The food price increased to 6,2% in January 2022 from 5,9% in November 2021.

Transport inflation declined to 14,5% in January 2022 from 16,8% in December 2021.

Public transport inflation increased 10% in January 2022 from 9,9% in December 2021. (Buses, trains and other forms of transport that are available to the public charge set fares and run on fixed routes.)

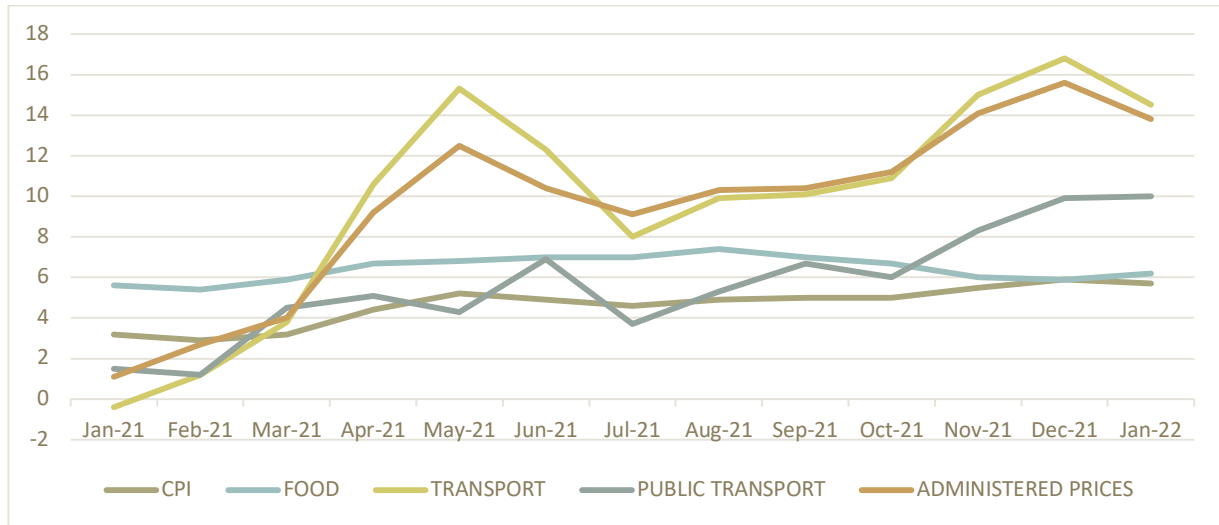
The administrator's price (school, telephone fees, electricity, trains, and petrol/paraffin) declined to 13,8% in January 2022 from 15,6% in December 2021.

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

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
<b>CPI</b>	3.2%	2.9%	3.2%	4.4%	5.2%	4.9%	4.6%	4.9%	5%	5%	5.5%	5.9%	5.7%
<b>Food</b>	5.6%	5.4%	5.9%	6.7%	6.8%	7%	7%	7.4%	7%	6.7%	6%	5.9%	6.2%
<b>Transport</b>	-0.4%	1.2%	3.8%	10.6%	15.3%	12.3%	8%	9.9%	10.1%	10.9%	15%	16.8%	14.5%
<b>Public Transport</b>	1.5%	1.2%	4.5%	5.1%	4.3%	6.9%	3.7%	5.3%	6.7%	6%	8.3%	9.9%	10%
<b>Administration Prices</b>	1.1%	2.7%	4%	9.2%	12.5%	10.4%	9.1%	10.3%	10.4%	11.2%	14.1%	15.6%	13.8%

Source: Statistics South Africa

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



Source: Statistics South Africa

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

Group	Contributions %
	Jan-22
Transport	1.9
Housing and utilities	1.1
Food & non-alcoholic beverages	1.0
Miscellaneous goods and services	0.7
Alcoholic beverages and tobacco	0.3
Restaurants & hotels	0.2
Clothing & footwear	0.1
Household contents & services	0.1
Health	0.1
Education	0.1
Recreation & culture	0.1
Education	0.1
<b>All items</b>	<b>5.7</b>

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 | January 2022**

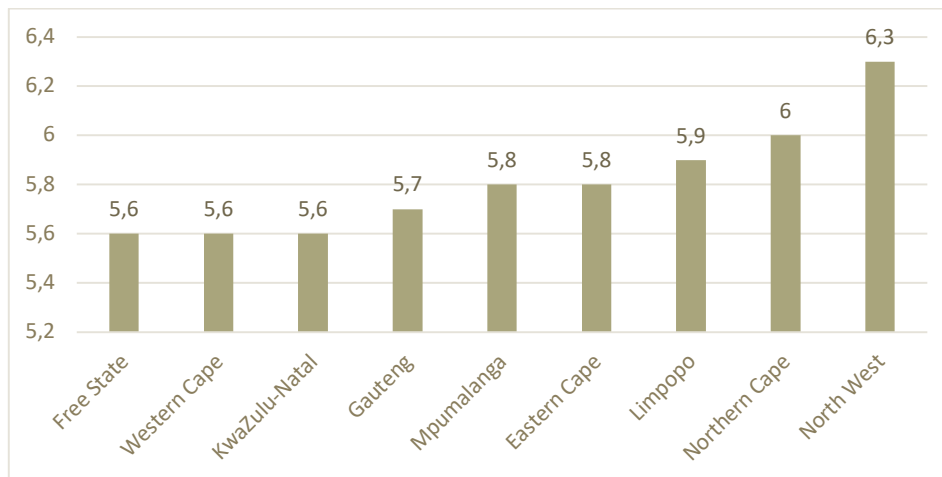
	Monthly expenditure	Inflation Rate Jan-22
<b>Average annual CPI</b>		<b>5.7%</b>
Decile 1	Up to R1477 per month	6.7%
Decile 2	R1477 up to R2456 per month	6.1%
Decile 3	R2456 up to R3549 per month	5.6%
Decile 4	R3549 up to R4742 per month	5.2%
Decile 5	R4742 up to R6151 per month	5%
Decile 6	R6151 up to R7907 per month	4.7%
Decile 7	R7907 up to R10352 per month	5.1%
Decile 8	R10352 up to R14419 per month	5.6%
Decile 9	R14419 up to R22492 per month	5.8%
Decile 10	R22492 and more...	5.9%

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 6.7%, which was higher than the headline annualised inflation rate of 5.7%, while the very high expenditure group (Decile 10) had an inflation rate of 5.9%, which was 0.2% higher than the 5.7% inflation rate of January 2022.

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



Source: Statistics South Africa

The provinces with an annual inflation rate **lower than or equal to headline inflation** were Free State (5,6%), Western Cape (5,6%), KwaZulu-Natal (5,6%) and Gauteng (5,7%)

The provinces with an annual inflation rate **higher than headline inflation** were Mpumalanga (5,8%), Eastern Cape (5,8%), Limpopo (5,9%), Northern Cape (6%) and North West (6,3%).

**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												

Source: Statistics South Africa

The Consumer Price Index (CPI) 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												

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												

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												

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												

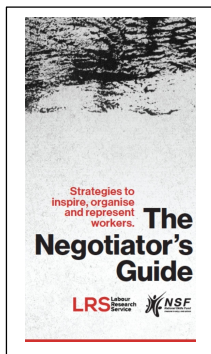
Source: Statistics South Africa

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 February 2022 CPI figures are expected on 23<sup>rd</sup> March 2022*

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