

# LABOUR RESEARCH SERVICE

## INFLATION MONITOR

JULY 2023

Knowledge is too important  
to leave in the hands of the  
bosses.

---

[lrs@lrs.org.za](mailto:lrs@lrs.org.za)  
[www.lrs.org.za](http://www.lrs.org.za)  
Tel: 0214861100

---

## The Consumer Price Index dropped sharply to 4.7% in July 2023

Inflation is a sustained rise in the general price level of goods and services. It is measured as an annual percentage increase (for example, July 2022 to July 2023). A falling inflation rate means that prices are rising more slowly.

The headline annual inflation rate decreased to 4.7% in July 2023 from 5.4% in June 2023. The Consumer Price Index (CPI) increased by 0.9% month-on-month in July 2023.

The food price declined to 10% in July 2023 from 11.1% in June 2023.

Transport inflation declined to -2.6% July 2023 from 1.8% in June 2023.

Public transport inflation declined to 2.6% in July 2023 from 9.7% in June 2023.

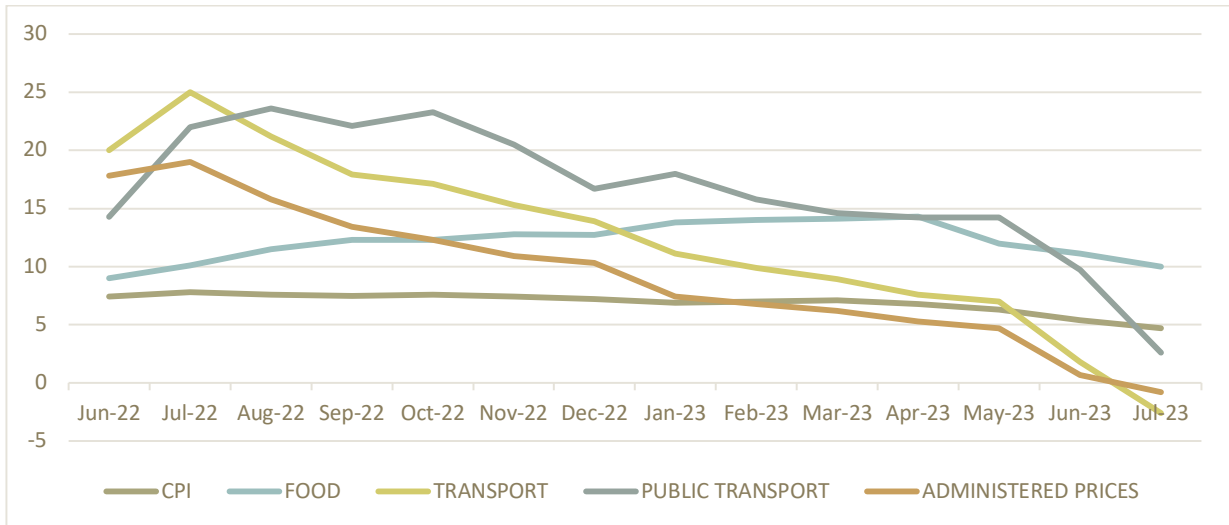
The administrator's price declined to -0.8% in July 2023 from 0.7% in June 2023.

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

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
<b>CPI</b>	7.8%	7.6%	7.5%	7.6%	7.4%	7.2%	6.9%	7%	7.1%	6.8%	6.3%	5.4%	4.7%
<b>Food</b>	10.1%	11.5%	12.3%	12.3%	12.8%	12.7%	13.8%	14%	14.4%	14.3%	12%	11.1%	10%
<b>Transport</b>	25%	21.2%	17.9%	17.1%	15.3%	13.9%	11.1%	9.9%	8.9%	7.6%	7%	1.8%	-2.6%
<b>Public Transport</b>	22%	23.6%	22.1%	23.3%	20.5%	16.7%	18%	15.8%	14.6%	14.2%	14.2%	9.7%	2.6%
<b>Administration Prices</b>	19%	15.8%	13.4%	12.3%	10.9%	10.3%	7.4%	6.8%	6.2%	5.3%	4.7%	0.7%	-0.8%

Source: Statistics South Africa

**Figure 1: Consumer Price Index (CPI) and selected price categories | July 2022 to July 2023**



Source: Statistics South Africa

**Figure 2: Contributions of the different groups to the annual percentage change in the CPI headline | July 2023**

Group	Contribution	
	Jun-23	Jul-23
Food and non-alcoholic beverages	1,9	1,7
Alcoholic Beverages and Tobacco	0,4	0,4
Clothing and footwear	0,1	0,1
Housing and utilities	1,0	1,2
Household Content and Services	0,2	0,2
Health	0,1	0,1
Transport	0,3	-0,4
Recreation and culture	0,2	0,2
Education	0,2	0,2
Restaurants and Hotels	0,2	0,2
Miscellaneous Goods and Services	0,9	0,9
Residual	-0,1	0,0
All Items	5,4	4,7

Source: Statistics South Africa

Statistics South Africa divides the monthly expenditure of households into 10 deciles. The table below shows that expenditure in decile 10 was higher than expenditure in decile 1, which is an indication of a high level of inequality.

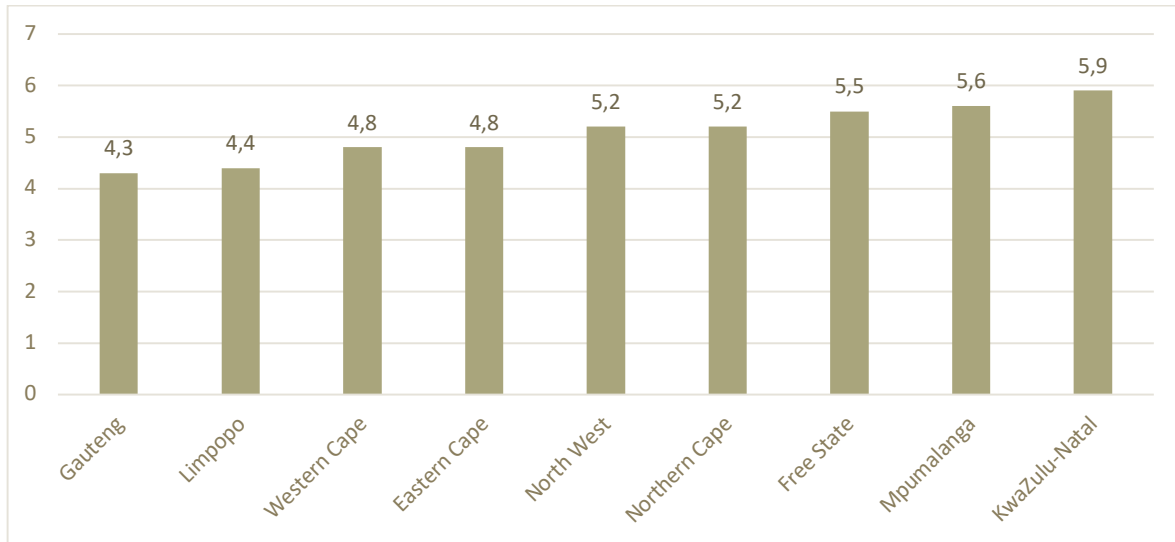
**Table 2: Annualised inflation by expenditure group | July 2023**

	Monthly expenditure	Inflation Rate Jul-23
<b>Average annual CPI</b>		<b>4.7%</b>
Decile 1	Up to R1 678 per month	9.3%
Decile 2	R1 678 up to R2 802 per month	8.7%
Decile 3	R2 802 up to R4 056 per month	7.4%
Decile 4	R4 056 up to R5 434 per month	6.3%
Decile 5	R5 435 up to R7 058 per month	6.2%
Decile 6	R7 058 up to R9 097 per month	5.5%
Decile 7	R9 097 up to R11 931 per month	5.1%
Decile 8	R11 931 up to R16 660 per month	4.6%
Decile 9	R16 660 up to R26 021 per month	4.2%
Decile 10	R26 021 and more...	4.3%

Source: Statistics South Africa

There are several inflation numbers. Different groups of people, from the very poor to the very rich, can experience different rates of inflation because they buy different things. The very low expenditure group (decile 1) had an inflation rate of 9.3%, which was higher than the annualised headline inflation rate of 4.7%, while the very high expenditure group (decile 10) had an inflation rate of 4.3%, which was lower than the inflation rate of 4.7% in July 2023.

**Figure 3: Annualised inflation rate (%) by province | July 2023**



Source: Statistics South Africa

The provinces with annual inflation rates lower than or equal to the headline rate were Gauteng (4.3%) and Limpopo (4.4%). The provinces with annual inflation higher than headline inflation were Western Cape (4.8%), Eastern Cape (4.8%), North West (5.2%), Northern Cape (5.2%), Free State (5.5%), Mpumalanga (5.6%) and KwaZulu-Natal (5.9%).

**Table 4: The Consumer Price Index**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
<b>2019</b>	4	4.1	4.5	4.4	4.5	4.5	4	4.3	4.1	3.7	3.6	4	<b>4.1</b>
<b>2020</b>	4.5	4.6	4.1	3	2.1	2.2	3.2	3.1	3	3.3	3.2	3.1	<b>3.3</b>
<b>2021</b>	3.2	2.9	3.2	4.4	5.2	4.9	4.6	4.9	5	5	5.5	5.9	<b>4.5</b>
<b>2022</b>	5.7	5.7	5.9	5.9	6.5	7.4	7.8	7.6	7.5	7.6	7.4	7.2	<b>6.9</b>
<b>2023</b>	6.9	7	7.1	6.8	6.3	5.4	4.7						

Source: Statistics South Africa

The Consumer Price Index (CPI) is known as the headline inflation rate and is also called the official inflation rate. The CPI is calculated using the monthly prices of over a thousand goods and services.

**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						

Source: Statistics South Africa

The Food Price Index shows the monthly increase in the price level of food only. This rate is part of 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	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						

Source: Statistics South Africa

The transport price index shows the increase in the price level of the transport items in the basket of goods and services that make up the inflation index. This rate is included 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	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						

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	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						

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 August 2023 CPI figures are expected on 20 September 2023*

For more information contact: George Mthethwa | [george@lrs.org.za](mailto:george@lrs.org.za) | Tel: 082 336 4533