

# CPI '25



## Update of the CPI basket and weights

28 January 2025

Patrick Kelly



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Statistics South Africa  
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## Contents

1. Classification changes
2. Background to the basket and weights update
3. Changes to the basket and weights



1.

# Classification changes



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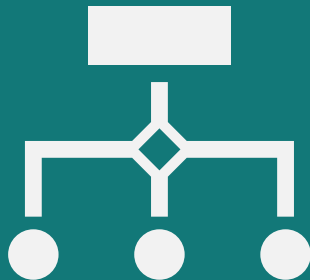
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## Classification

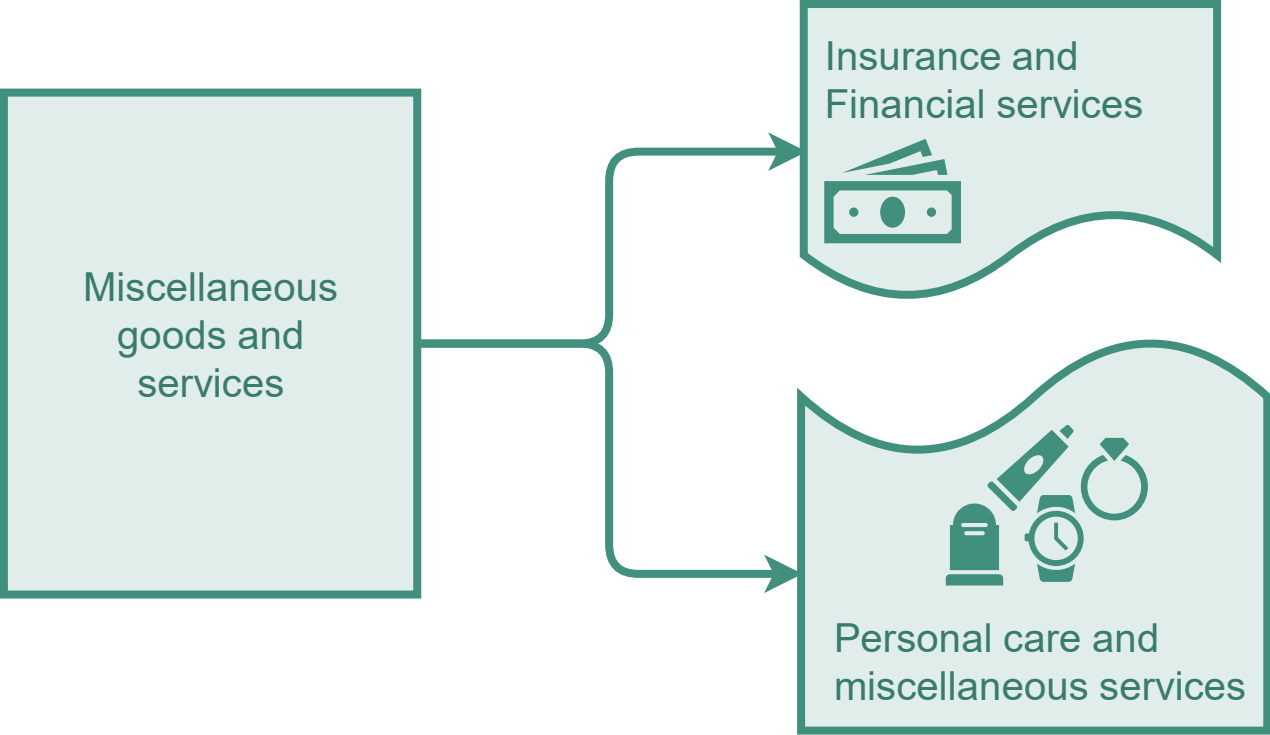


- CPI is classified according to the international Classification of Individual Consumption by Purpose (COICOP)
- New version adopted by United Nations Statistics Commission in 2018
- Aims to provide greater detail and international comparability

# Classification changes



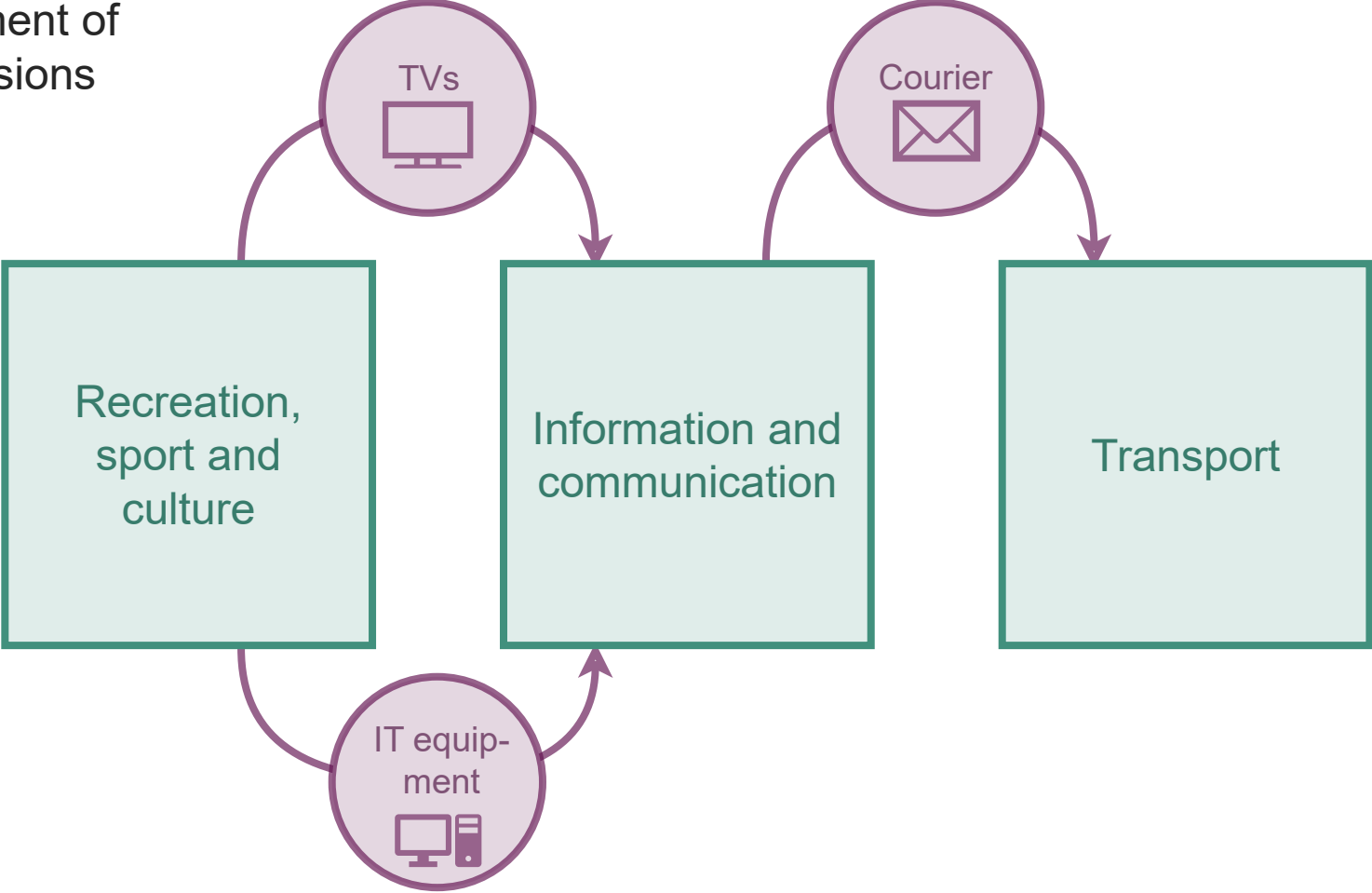
**Key changes:** Split of division 12 into Insurance and Financial services (12) and Miscellaneous (13)



# Classification changes



**Key changes:** Movement of products between divisions



# Classification changes

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## Key changes: Renaming

Name changed

OLD		NEW	
COICOP	Name	Name	COICOP
1	Food and non-alcoholic beverages	Food and non-alcoholic beverages	1
2	Alcoholic beverages and tobacco	Alcoholic beverages and tobacco	2
3	Clothing and footwear	Clothing and footwear	3
4	Housing and utilities	Housing and utilities	4
5	Household contents and services	Furnishings, household equipment and routine maintenance	5
6	Health	Health	6
7	Transport	Transport	7
8	Communication	Information and communication	8
9	Recreation and culture	Recreation, sport and culture	9
10	Education	Education	10
11	Restaurants and hotels	Restaurants and accommodation services	11
12	Miscellaneous goods and services	Insurance and financial services	12
		Personal care and miscellaneous services	13



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## Impact

1. Creation of new division (Insurance and financial services)
2. Expenditure collected for the first time for certain groups
3. No revision of previous data, but will provide an indicative re-classified time series
4. Changes to names on publication
5. Change to codes in Excel files. Will provide a concordance table with old and new codes

Today's presentation uses new COICOP for like-on-like comparison



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1. Index reference period is where all indices = 100
2. Usually re-reference with basket and weights update to facilitate changes
3. Re-referencing removes influence of historical inflation on current readings
4. Current index reference period is December 2021=100
5. New reference period will be December 2024=100
6. Re-referencing only changes the level of the indices
7. All rates of change remain as published



2.

# Background to basket and weights update



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## Weights



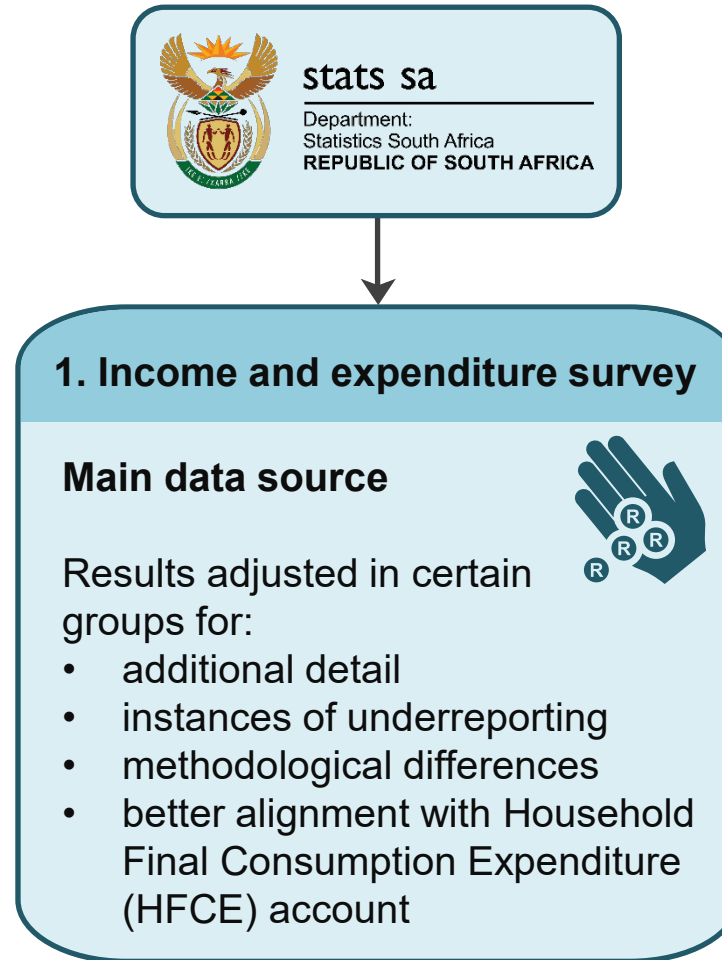
- Weights of CPI are proportions of total household consumption expenditure
- A weight is attached to each product in the basket of goods and services
- Weights determine the relative impact of price changes in a product on the headline CPI
- Current reference period = 2019
- New reference period = 2023

# Background to basket and weights update

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Data sources: Stats SA

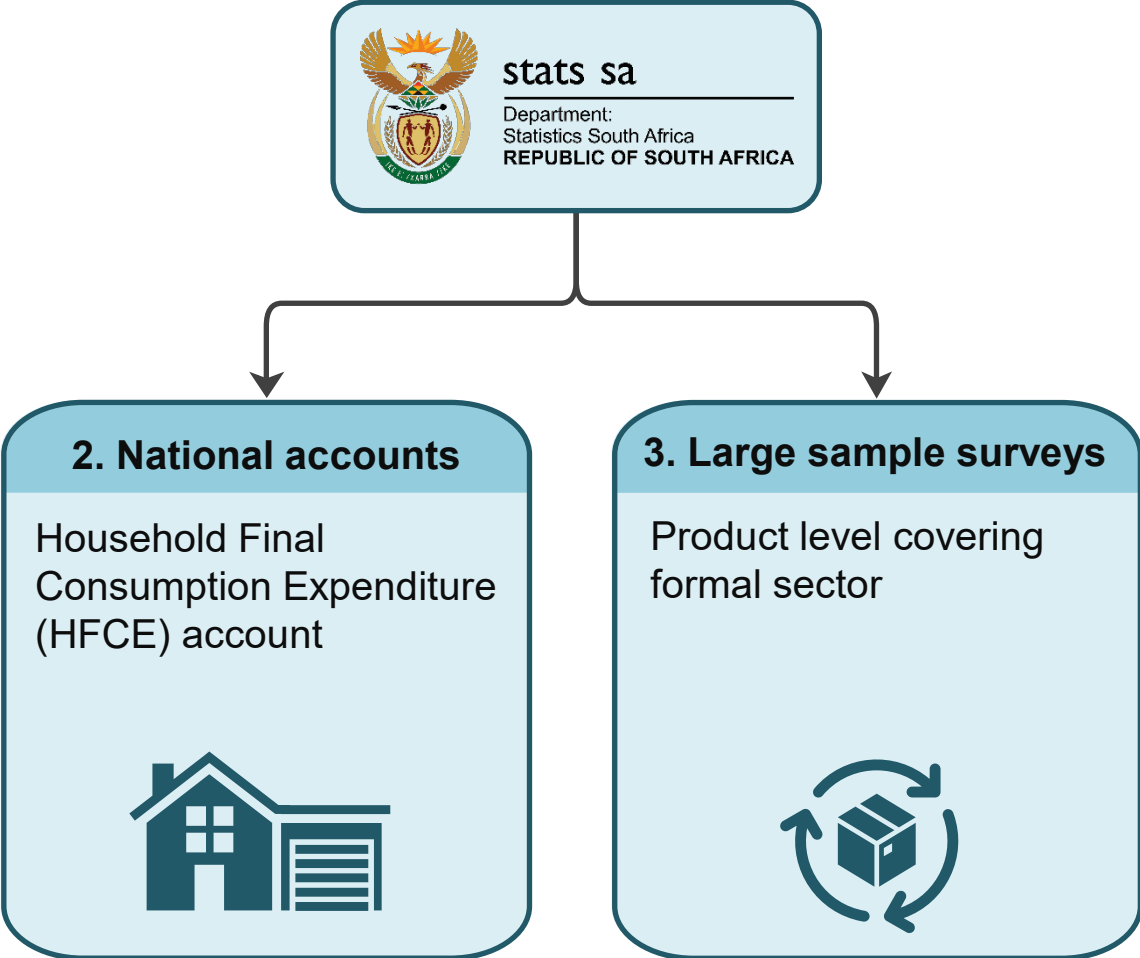


# Background to basket and weights update

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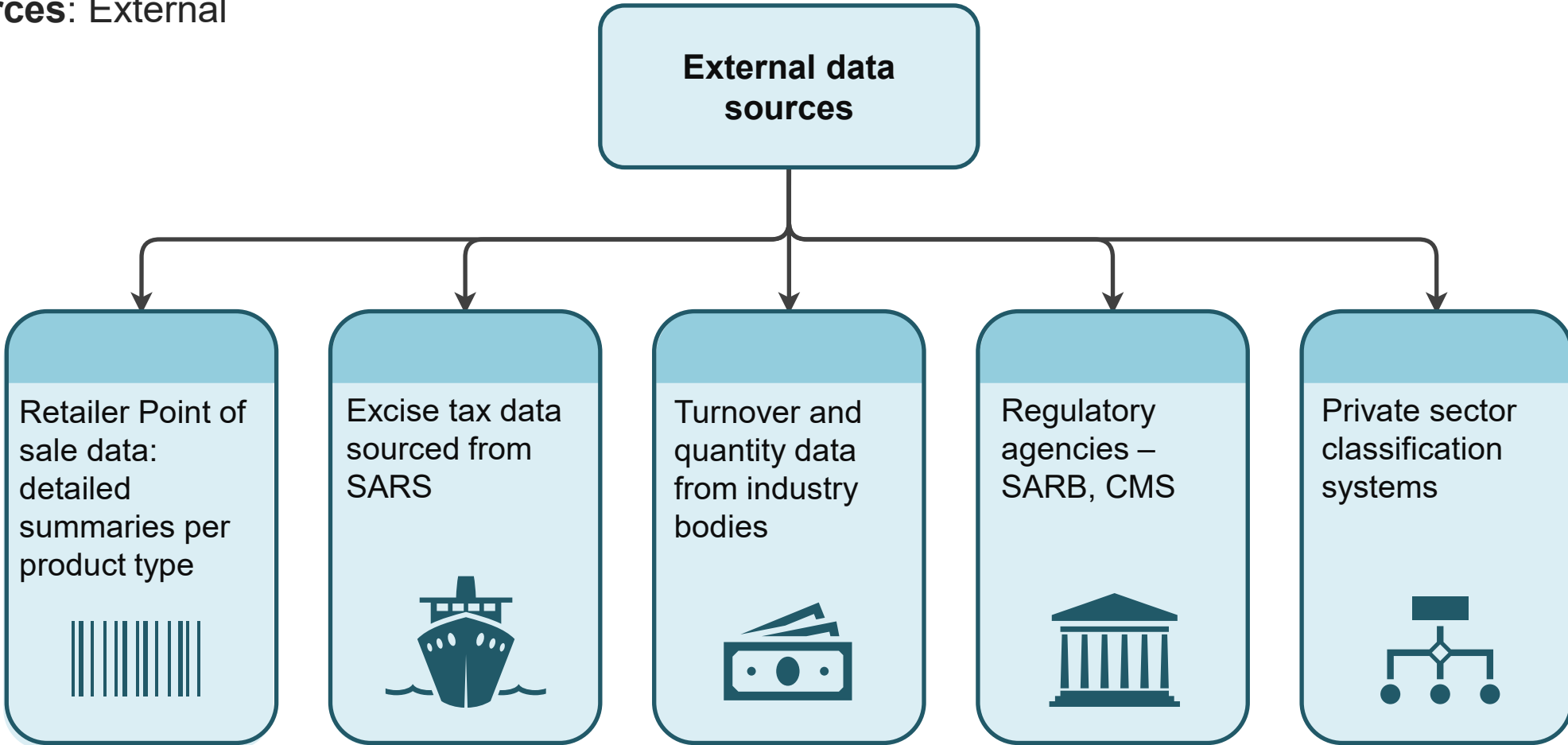
Data sources: Stats SA



# Background to basket and weights update



Data sources: External





- Calculate expenditure value for each product
- Select cumulative 80% value in each product category
- Minimum 0,01% of total expenditure
- Value for non-selected products redistributed to those selected
- All values are then converted to percentages

# 3.

## Changes to the basket and weights



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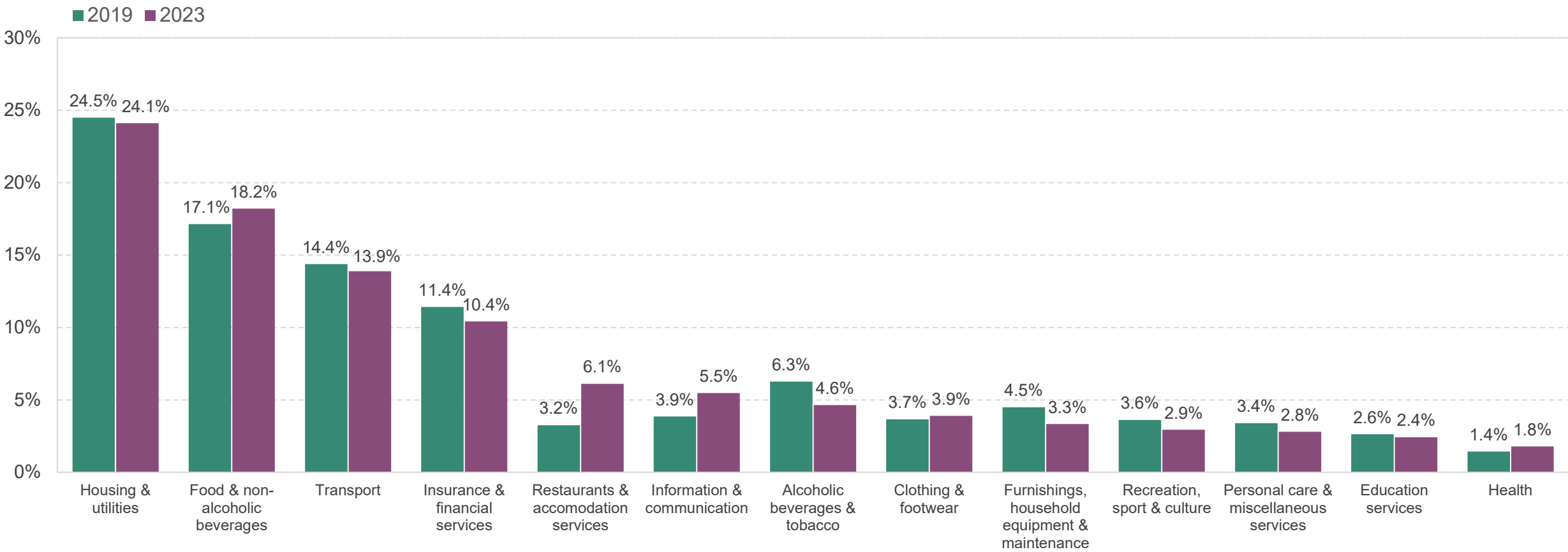
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# Headline CPI weights

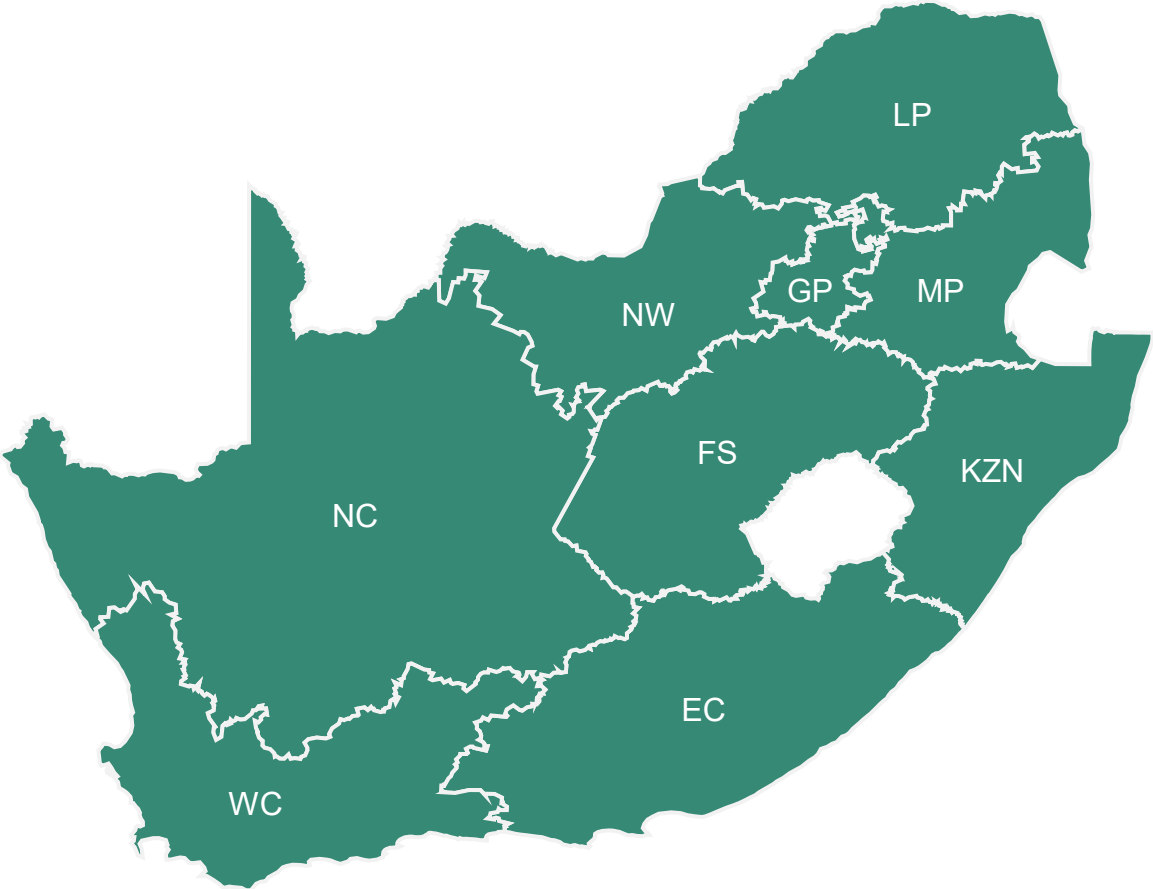


Data sources: Weights by main COICOP division



# Provincial proportion of total expenditure

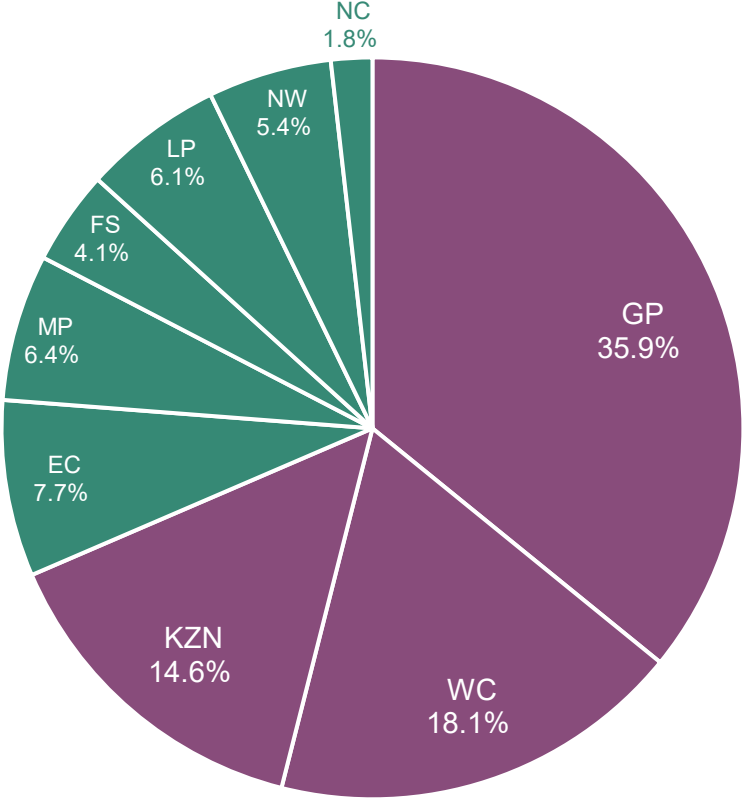
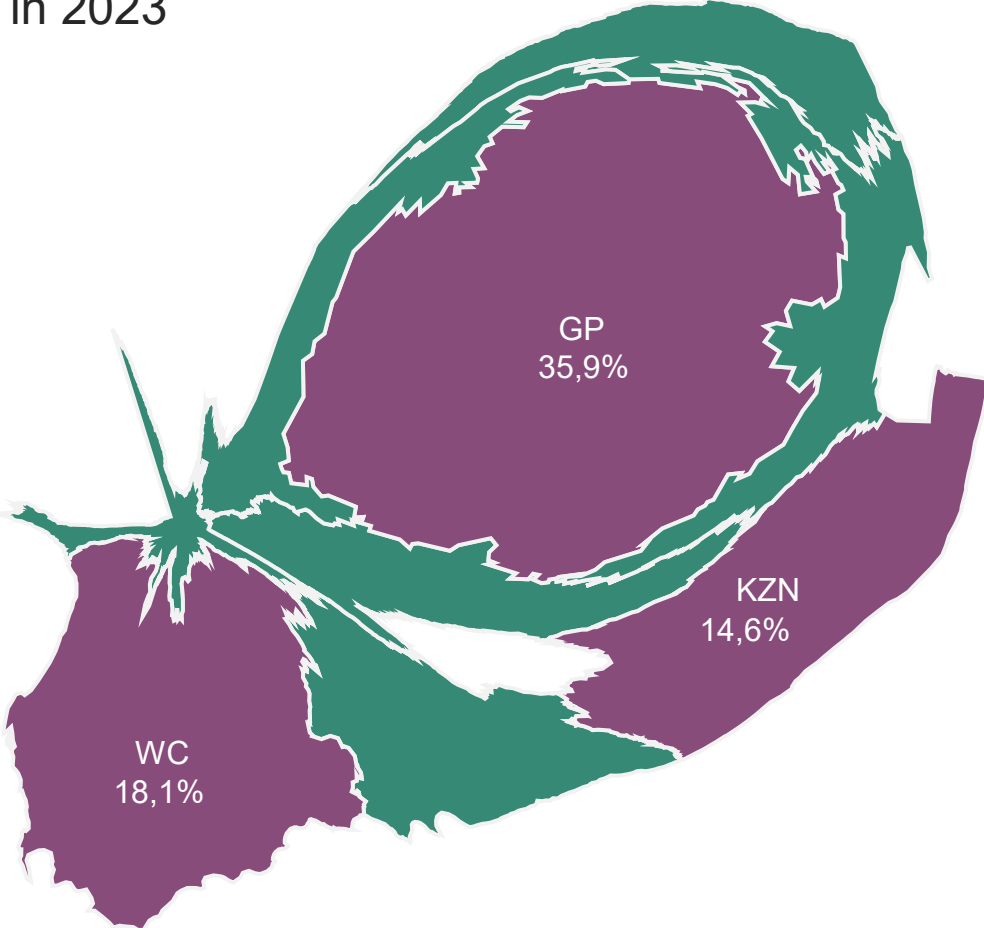
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# Provincial proportion of total expenditure



Proportion in 2023

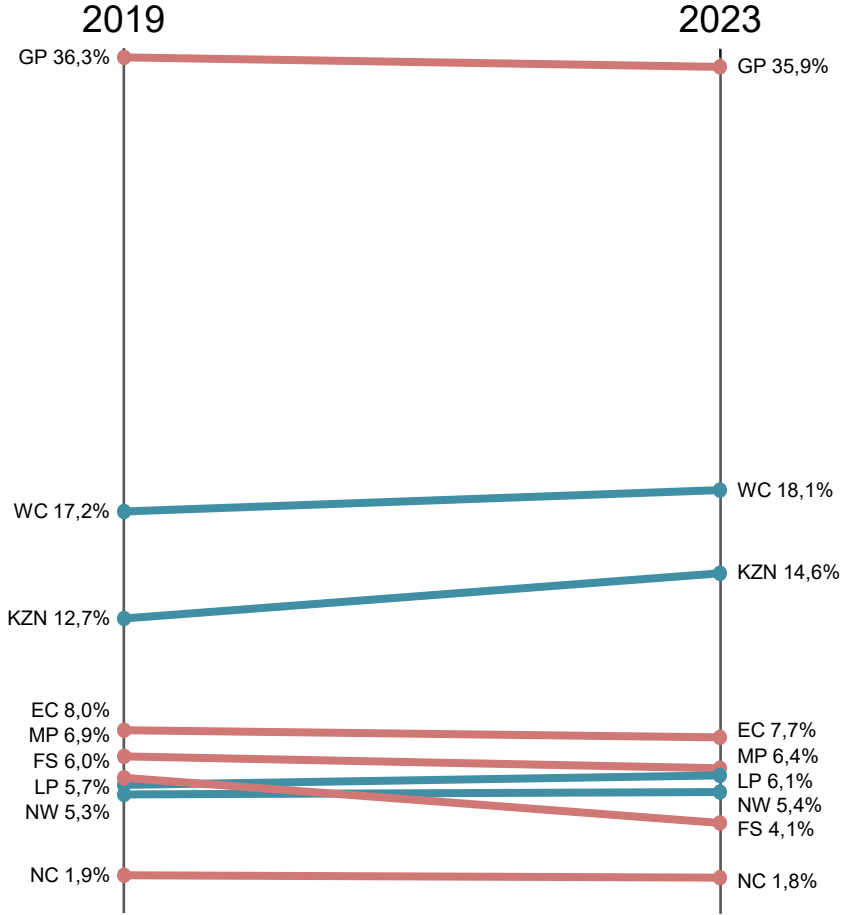
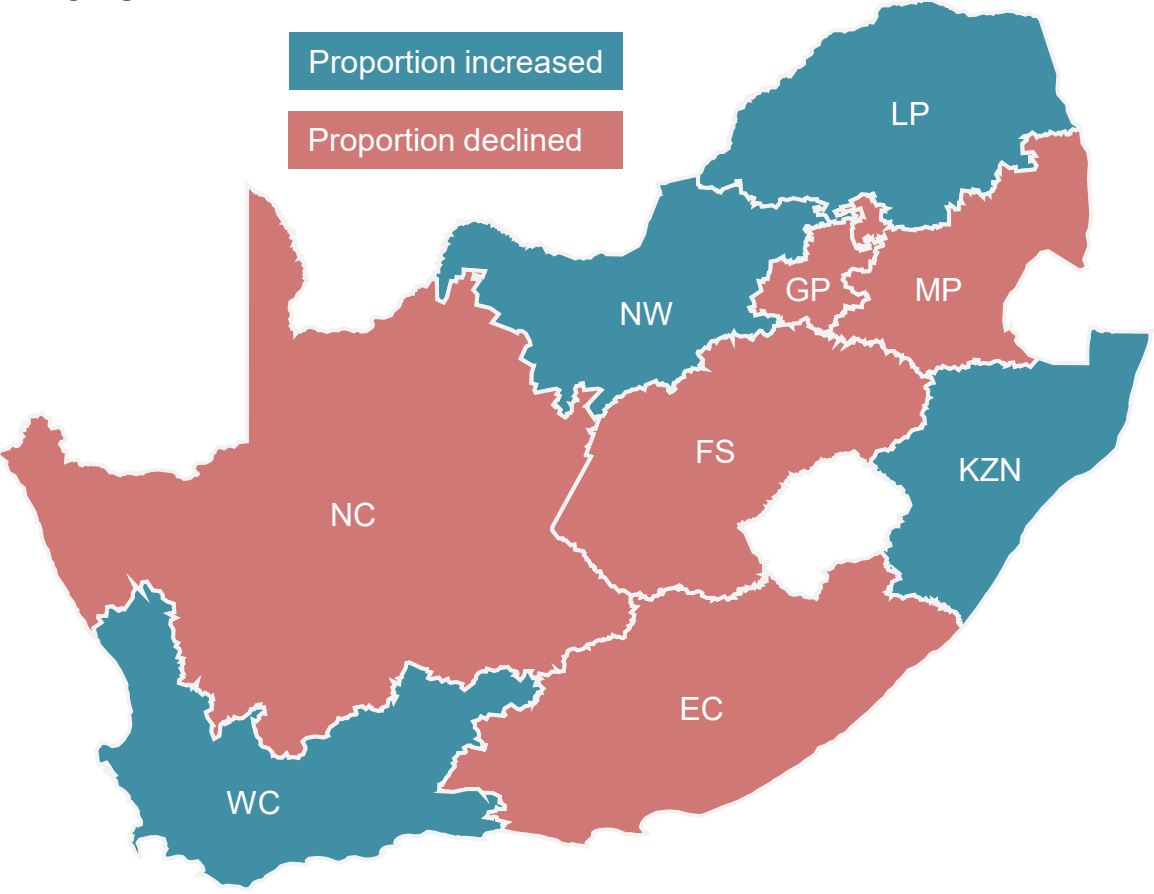


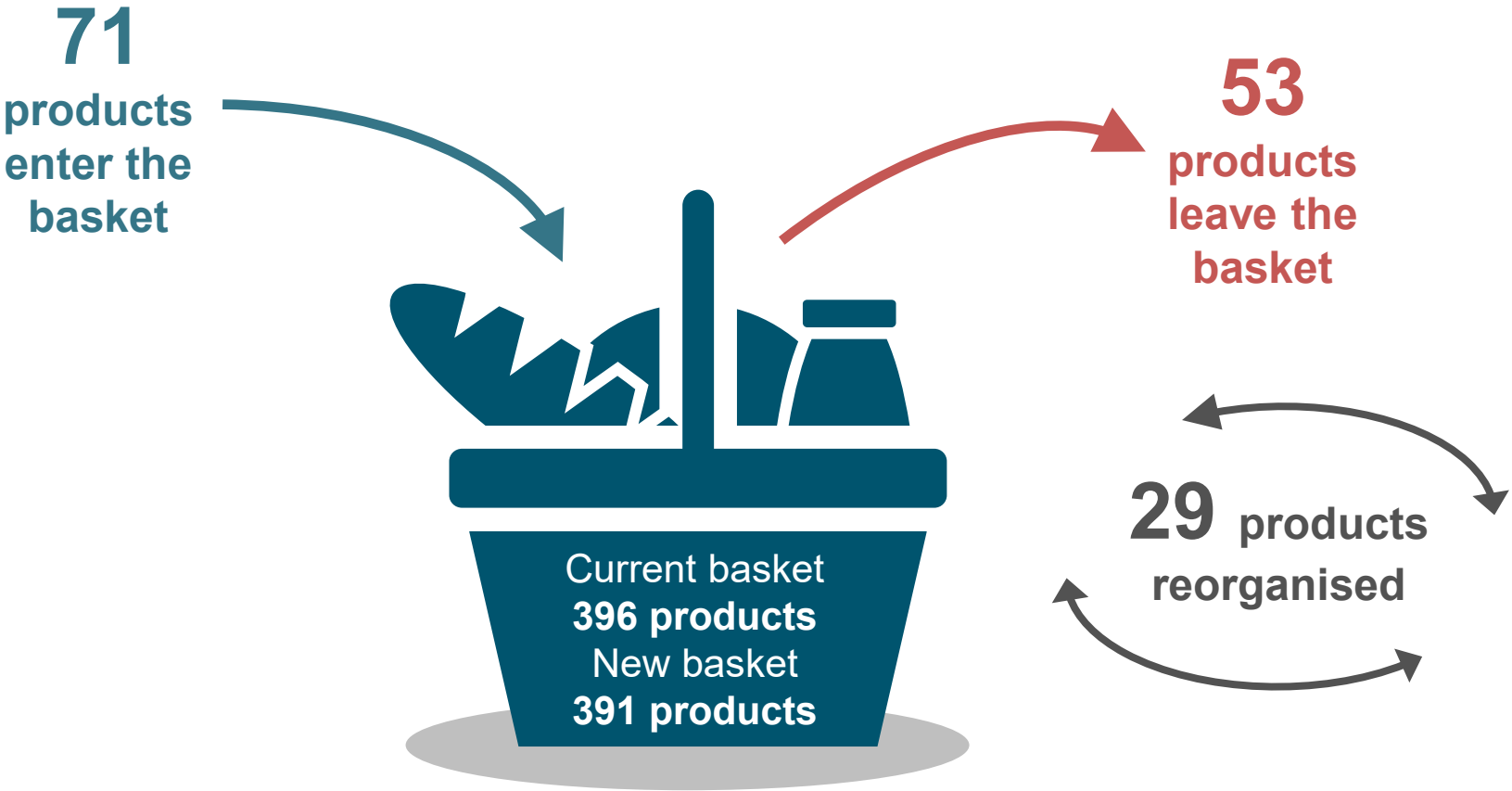
# Provincial proportion of total expenditure

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2019 to 2023

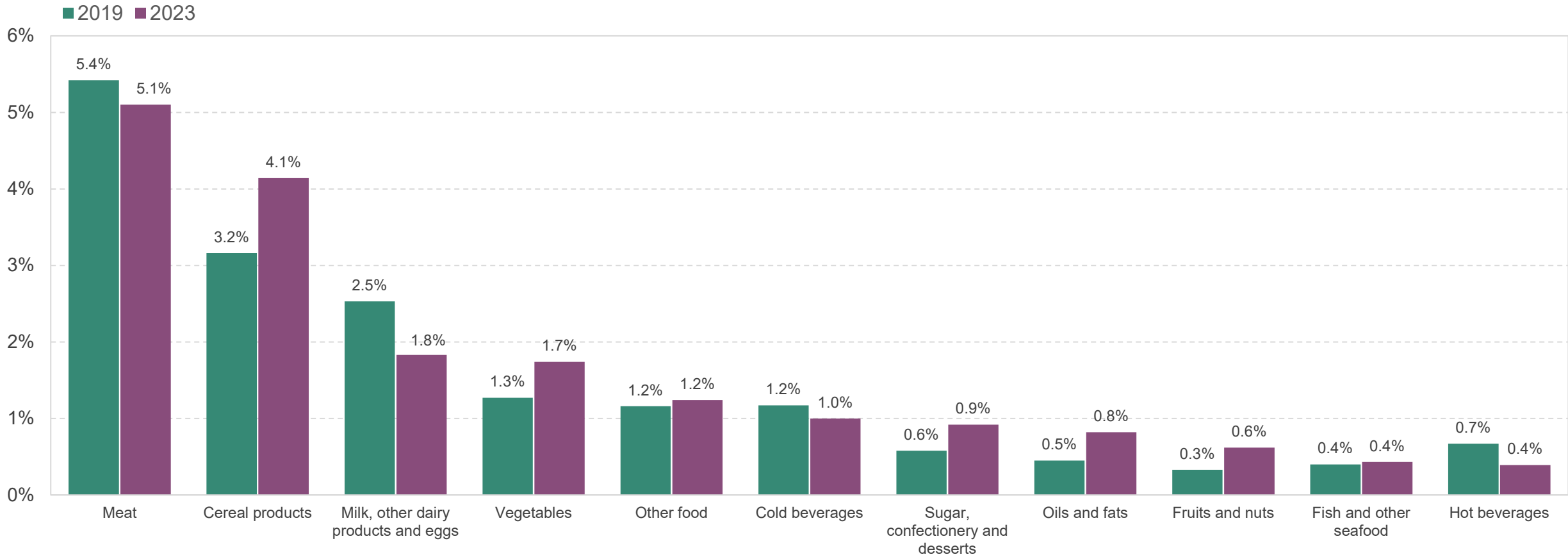




# Food and non-alcoholic beverages



Change in product contributions from 2019 to 2023. Contribution for the entire category: 17,1% to 18,2%



# Food and non-alcoholic beverages

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## Products entering the basket



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# Food and non-alcoholic beverages

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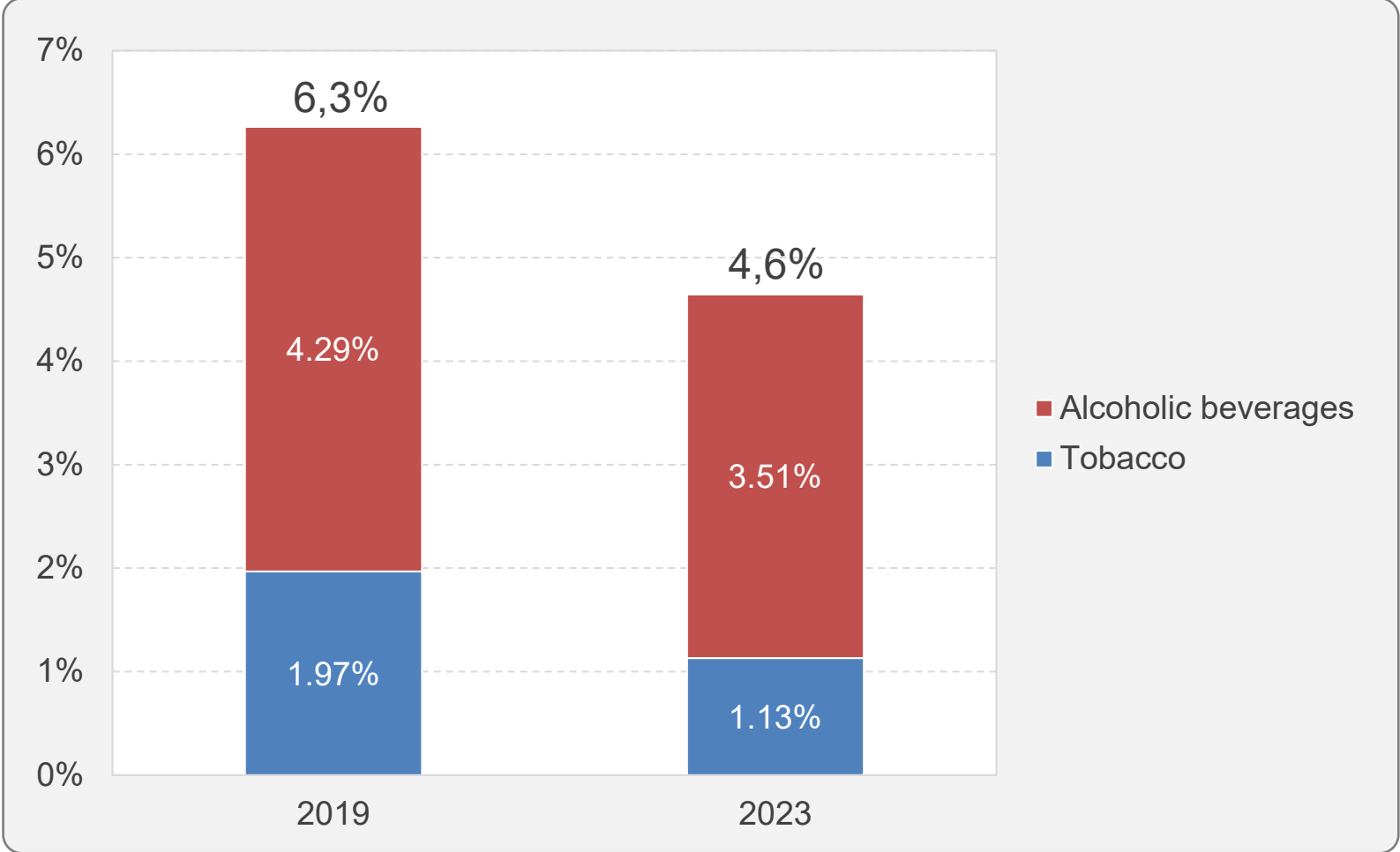


## Products leaving the basket



# Alcoholic beverages and tobacco

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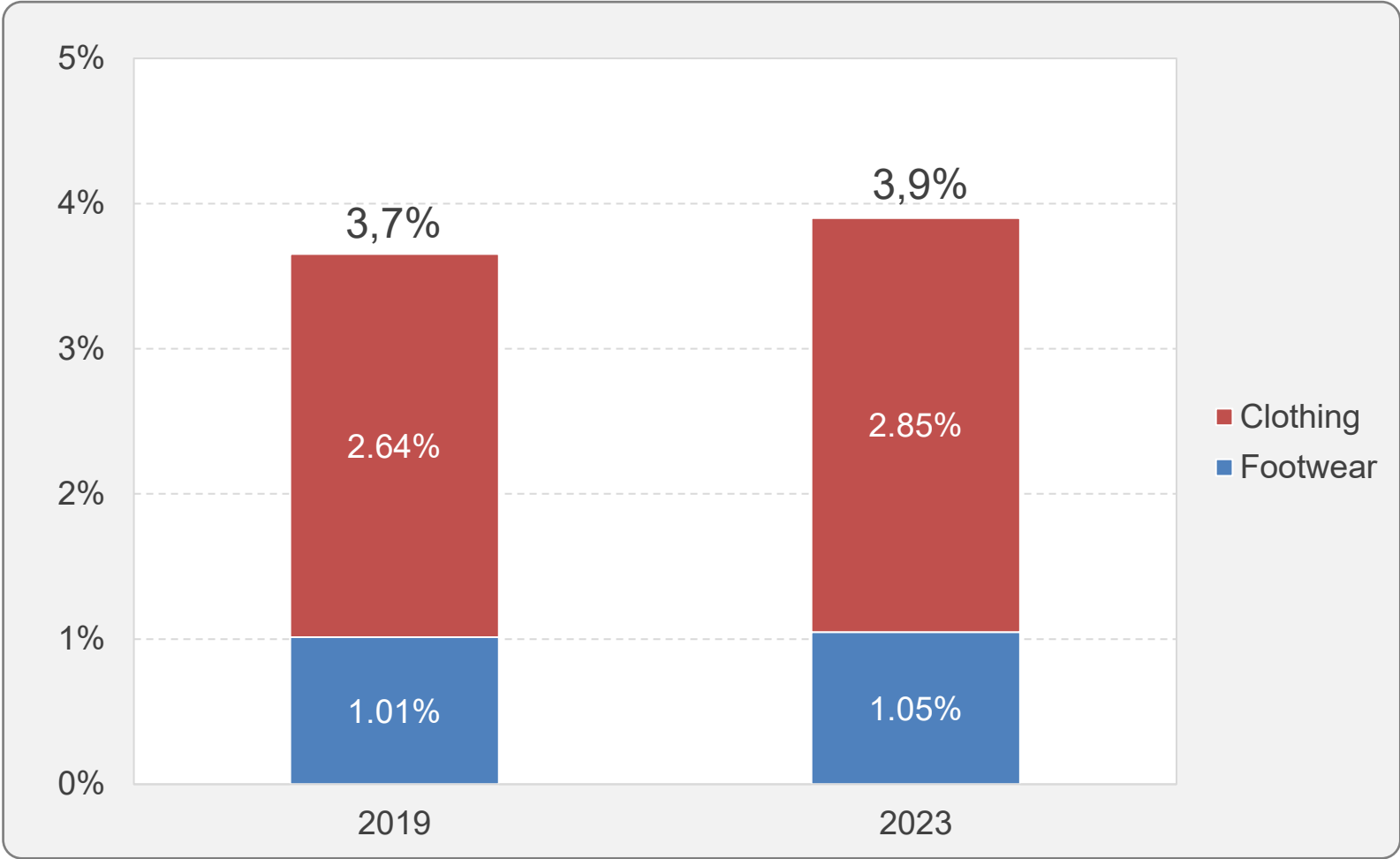




## Products **entering** the basket



No products are **leaving** the basket





## Products **entering** the basket

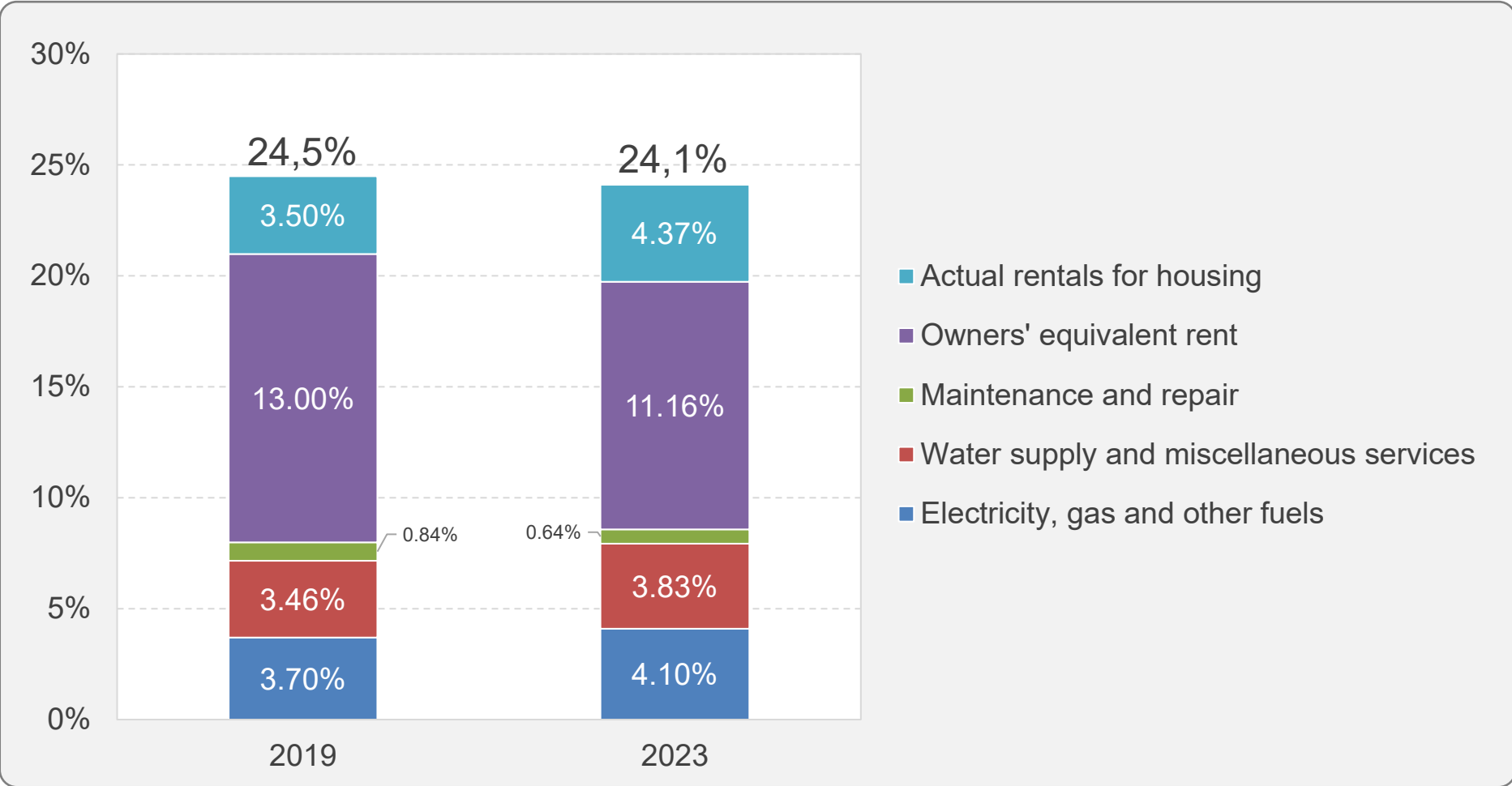
Reorganised private sector classification system



- School shirts
- School jersey
- School trouser/shorts
- School skirts/dress
- School socks
- School shoes

## Products **leaving** the basket





- Actual rentals for housing
- Owners' equivalent rent
- Maintenance and repair
- Water supply and miscellaneous services
- Electricity, gas and other fuels



# Housing and utilities

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## Products entering the basket

Refuse collection



Sewage removal



Gas in cylinders



Varnish



Paint brush

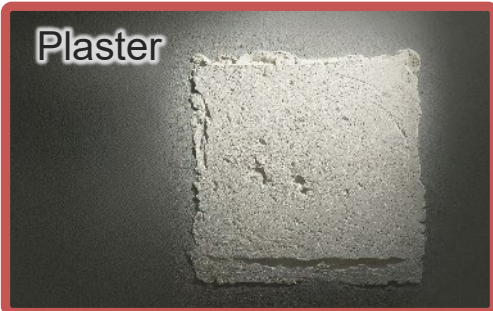


## Products leaving the basket

Branding/chip board



Plaster



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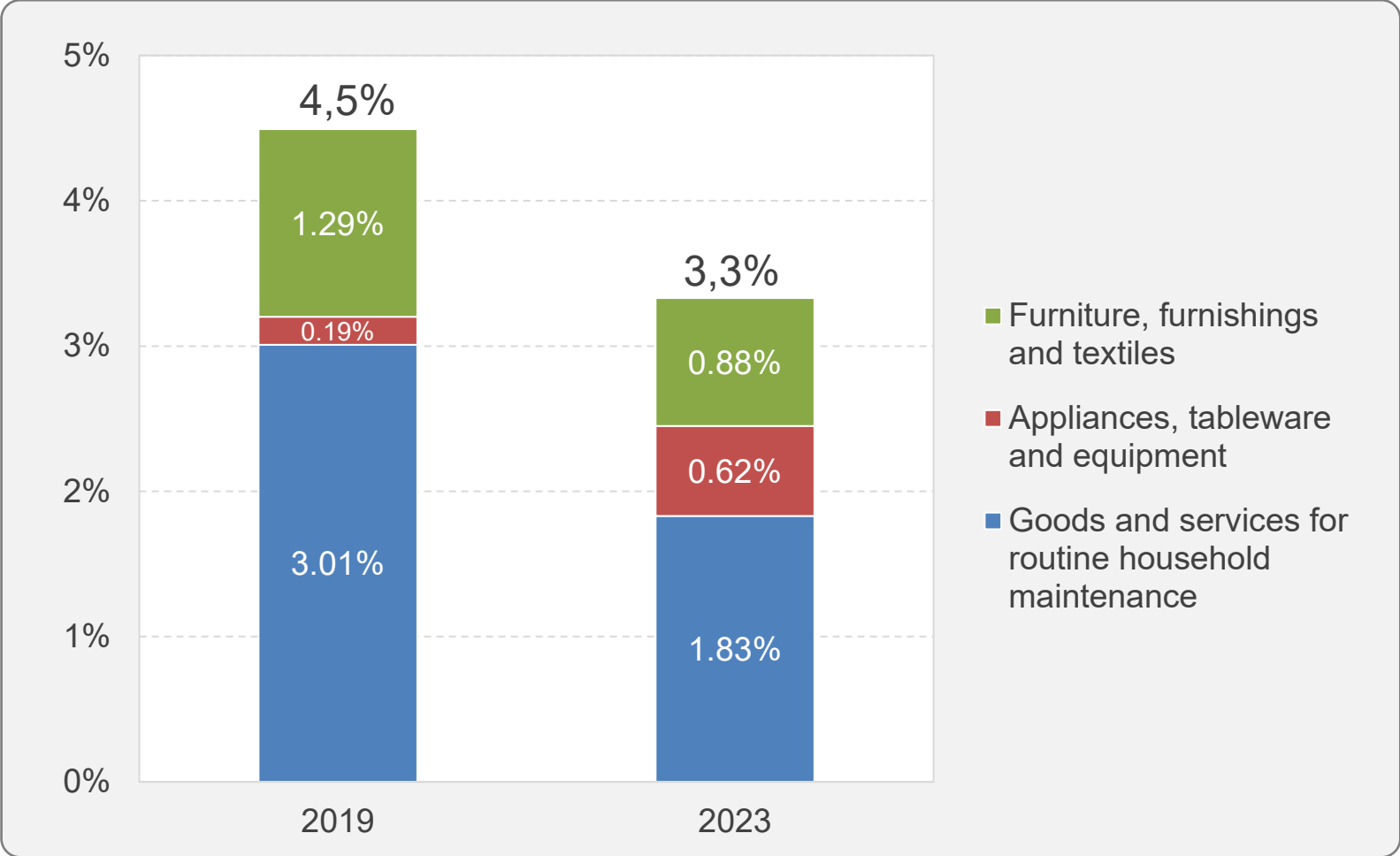
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# Furnishings, household equipment and routine maintenance

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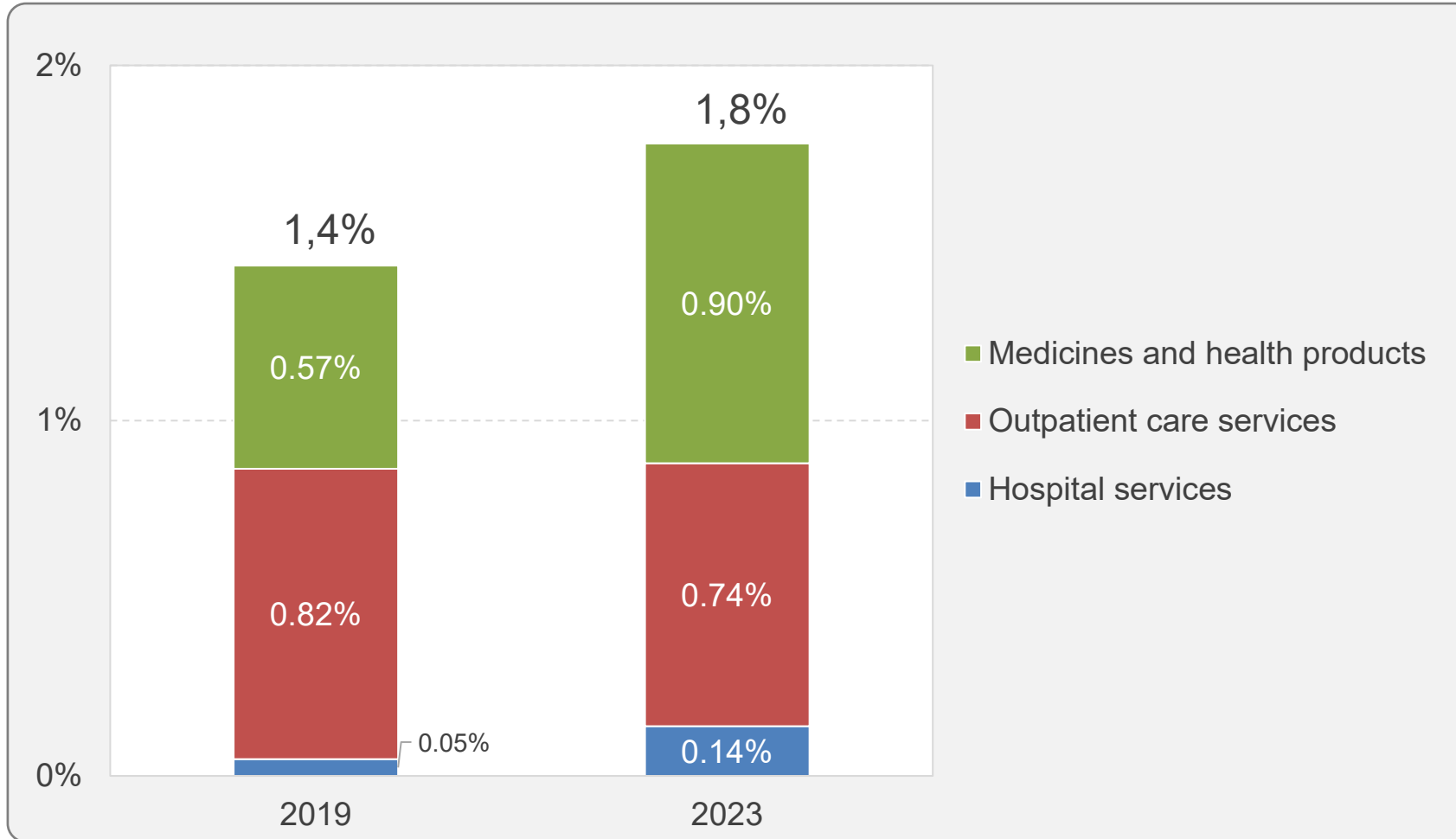
## Products **entering** the basket

- Loose carpets and rugs
- Pillows
- Table cloth
- Towels
- Face cloth
- Air fryers
- Cooler box
- Refuse bags
- Candles



## Products **leaving** the basket

- Toaster/sandwich maker
- Teaspoon
- Grater
- Garden water sprinkler
- Wax shoe polish
- Household batteries
- Insecticide





## Products **entering** the basket\*

- Skin treatment
- Calming and mood enhancing treatment
- Condoms
- Spectacles, including contact lens
- Clinic services
- Orthopaedic surgeon
- Optometrists
- Physiotherapists
- Inpatient care centre
- Pathology services



## Products **leaving** the basket

- Eye drops
- General practitioner – public sector
- Specialist – public sector

*\*Non-prescription pharmaceuticals reorganised using IQVIA Consumer Health Level 1 Classification*

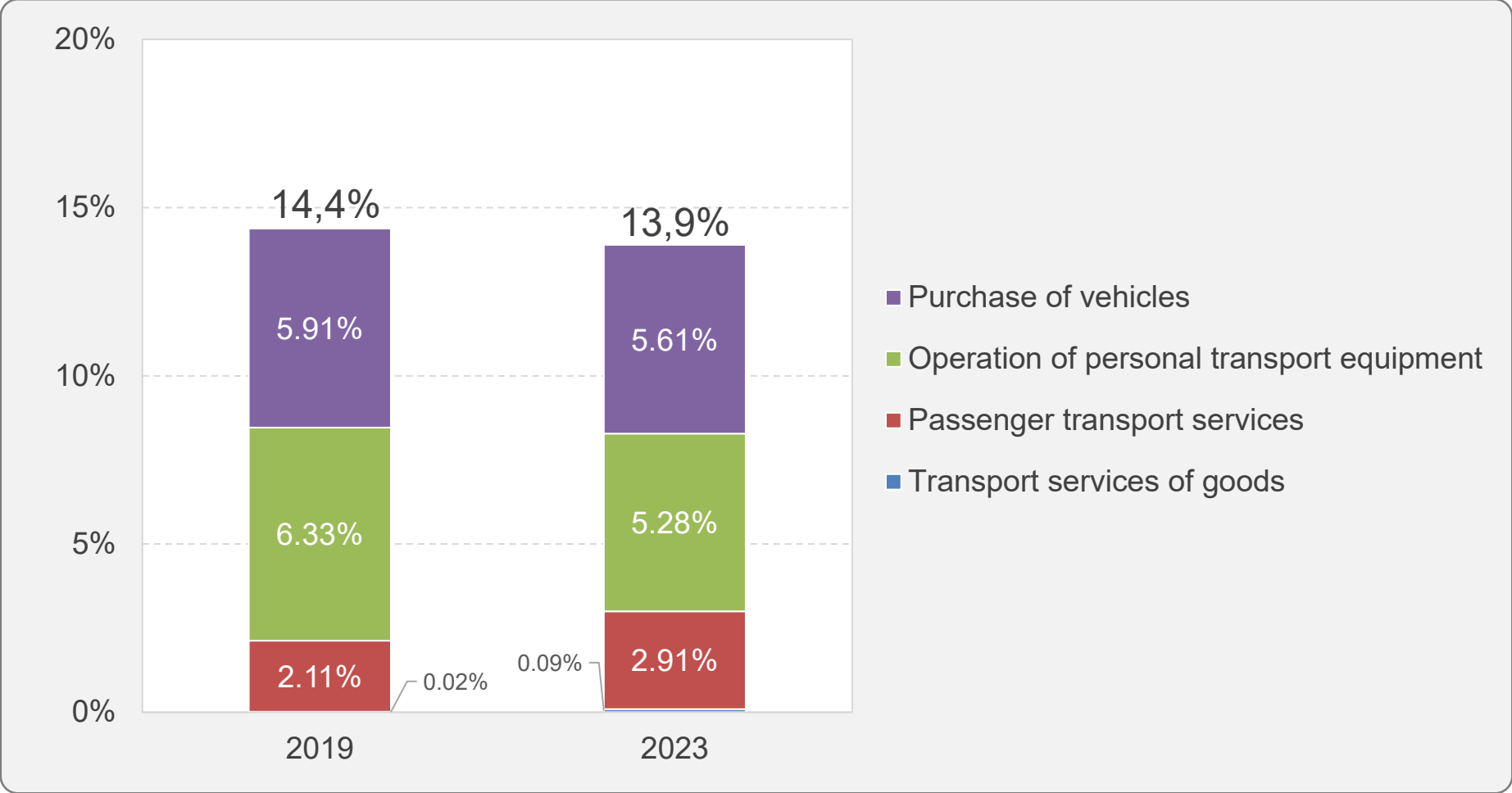


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### Products **entering** the basket

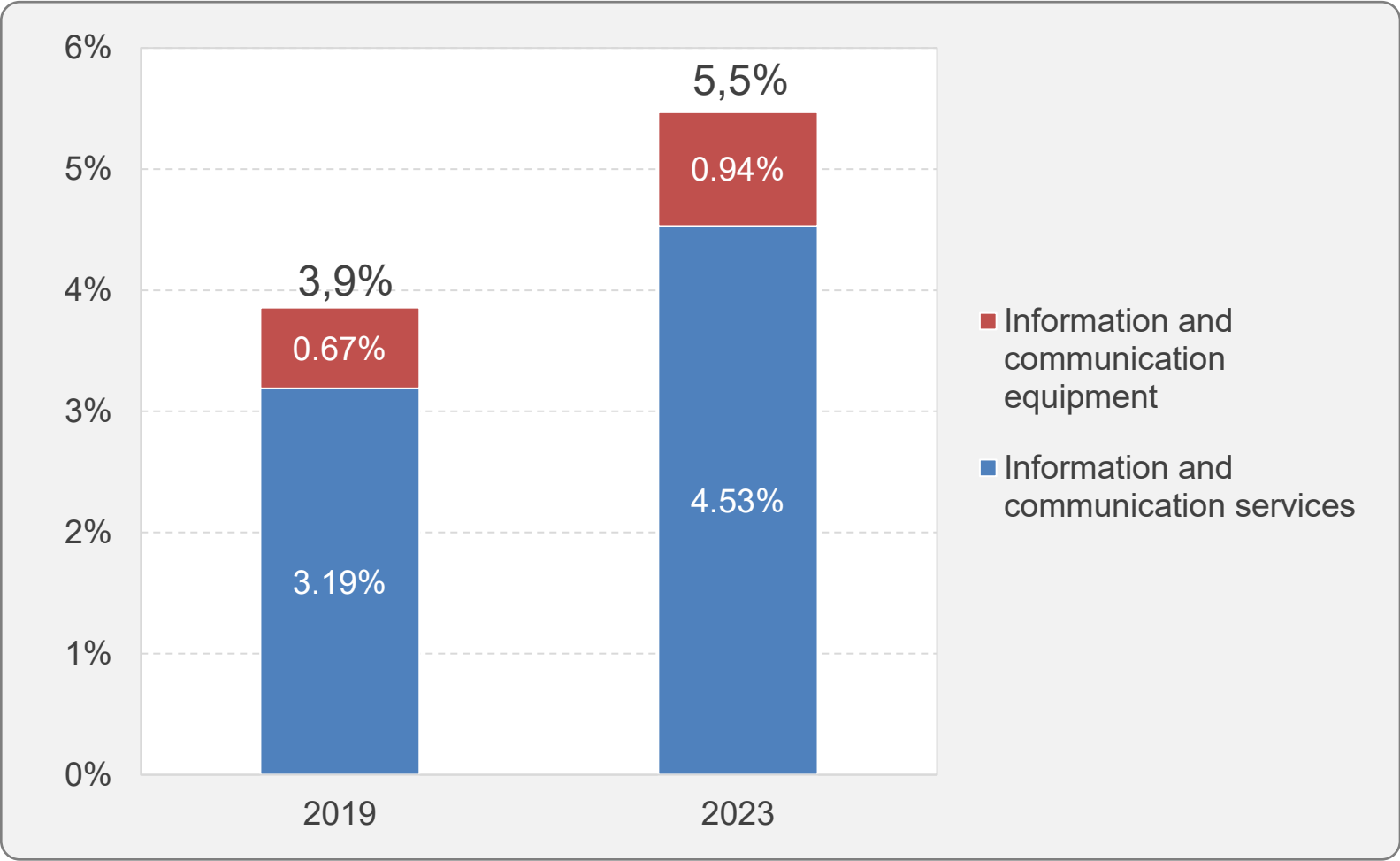
- e-hailing services
- School transport
- Oil filter
- Air filter
- Lubricants



### Products **leaving** the basket

- Shock absorbers
- Driving licences
- Rental of postbox

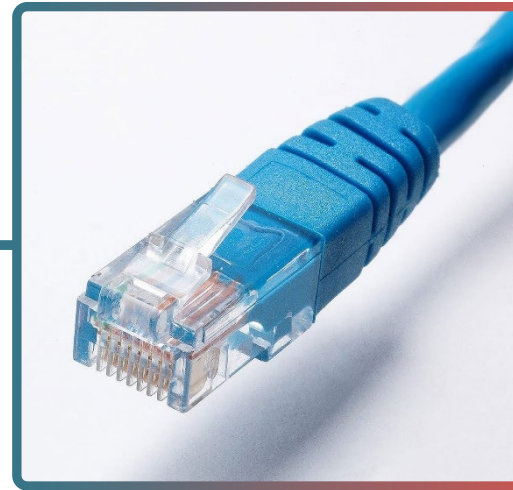






## Products **entering** the basket

- Subscription to streaming services
- Modems and routers
- Calculators
- USB and external hard drives
- Power banks
- USB cable chargers

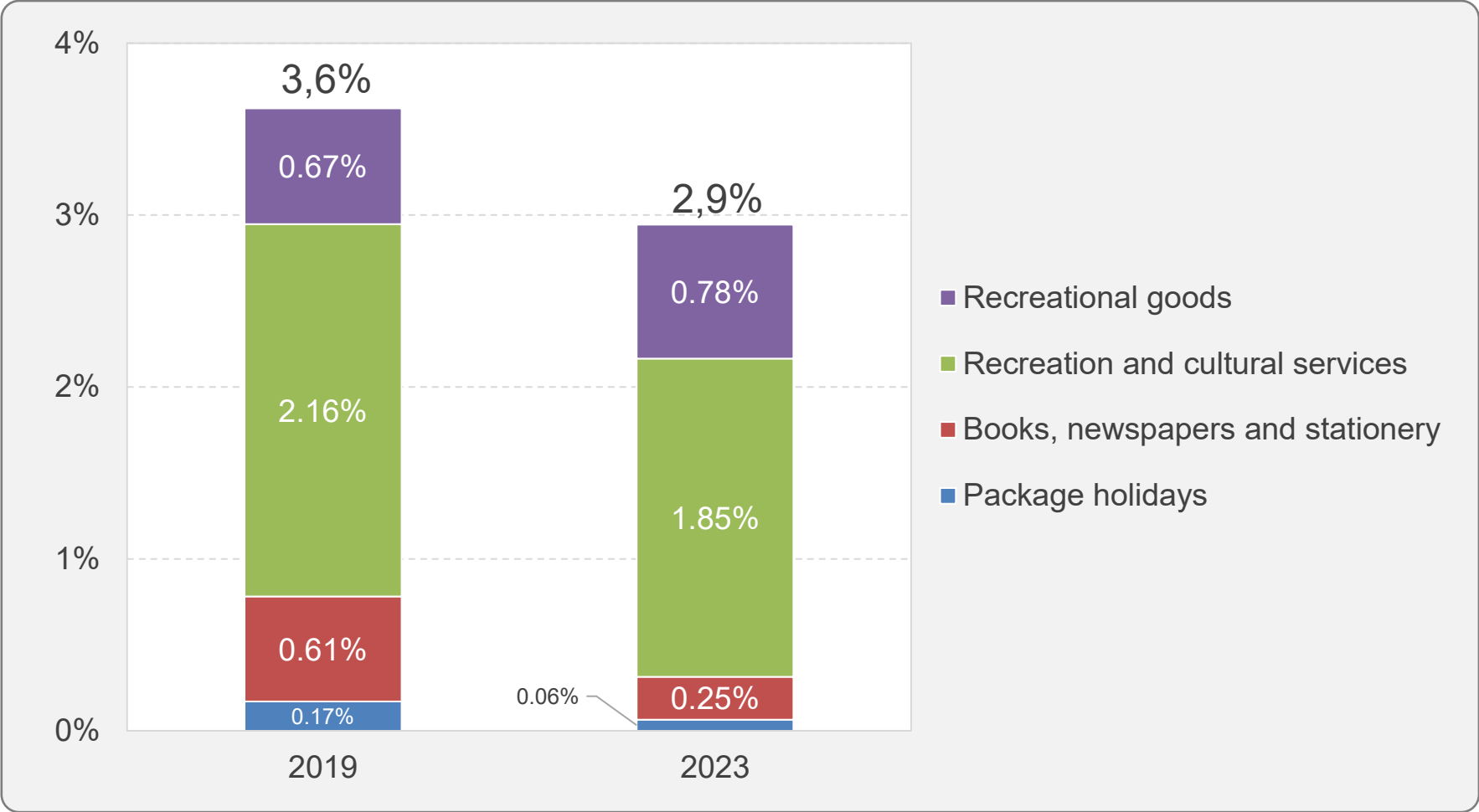


## Products **leaving** the basket

- TV decoder
- Soundbar/speakers
- Telephone fees (landline)

# Recreation, sport and culture

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## Products **entering** the basket

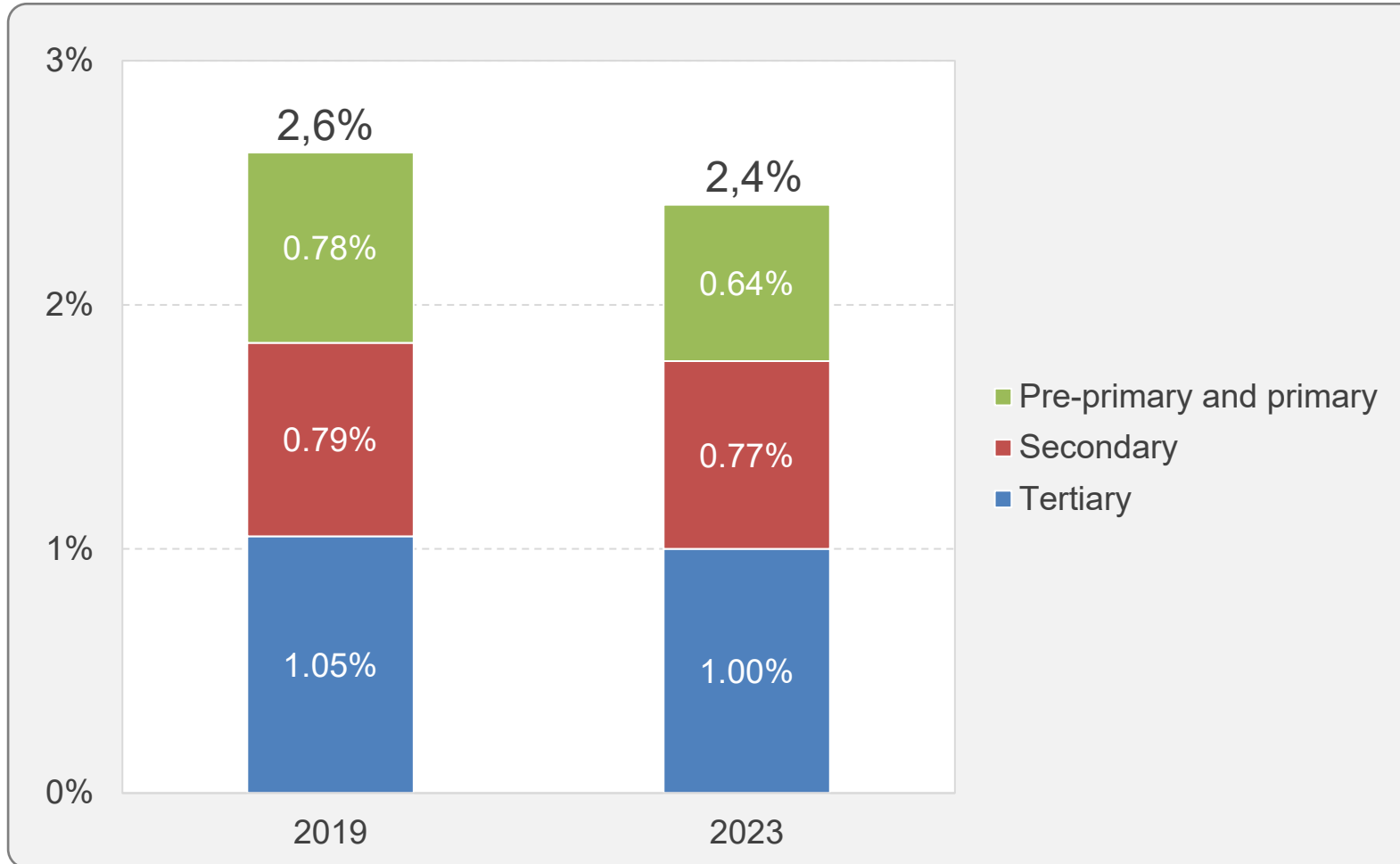


Toy building bricks



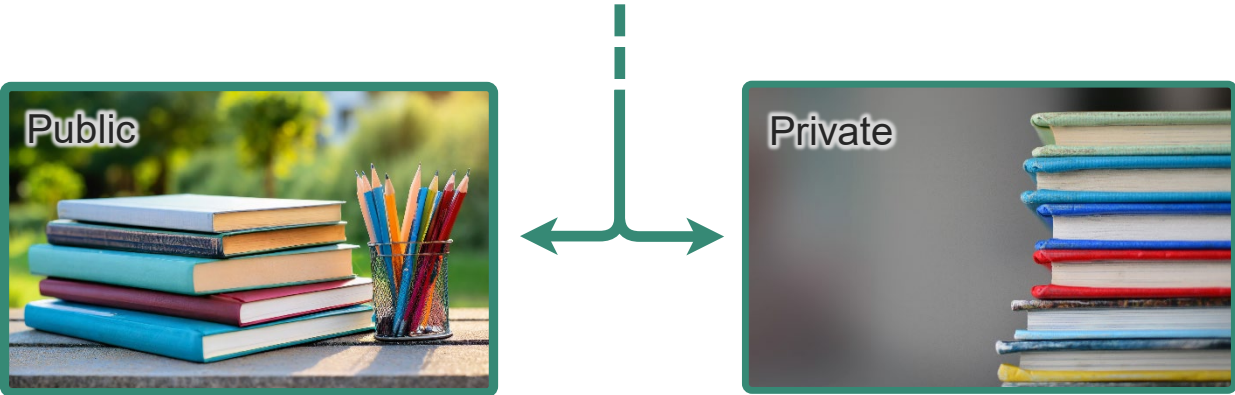
## Products **leaving** the basket

- Digital camera
- Teddy bear
- Sleeping bag
- Plant pots
- Musical instruments
- Music CDs
- Magazines
- Pool brush or net
- Files
- Crayons
- Television licence

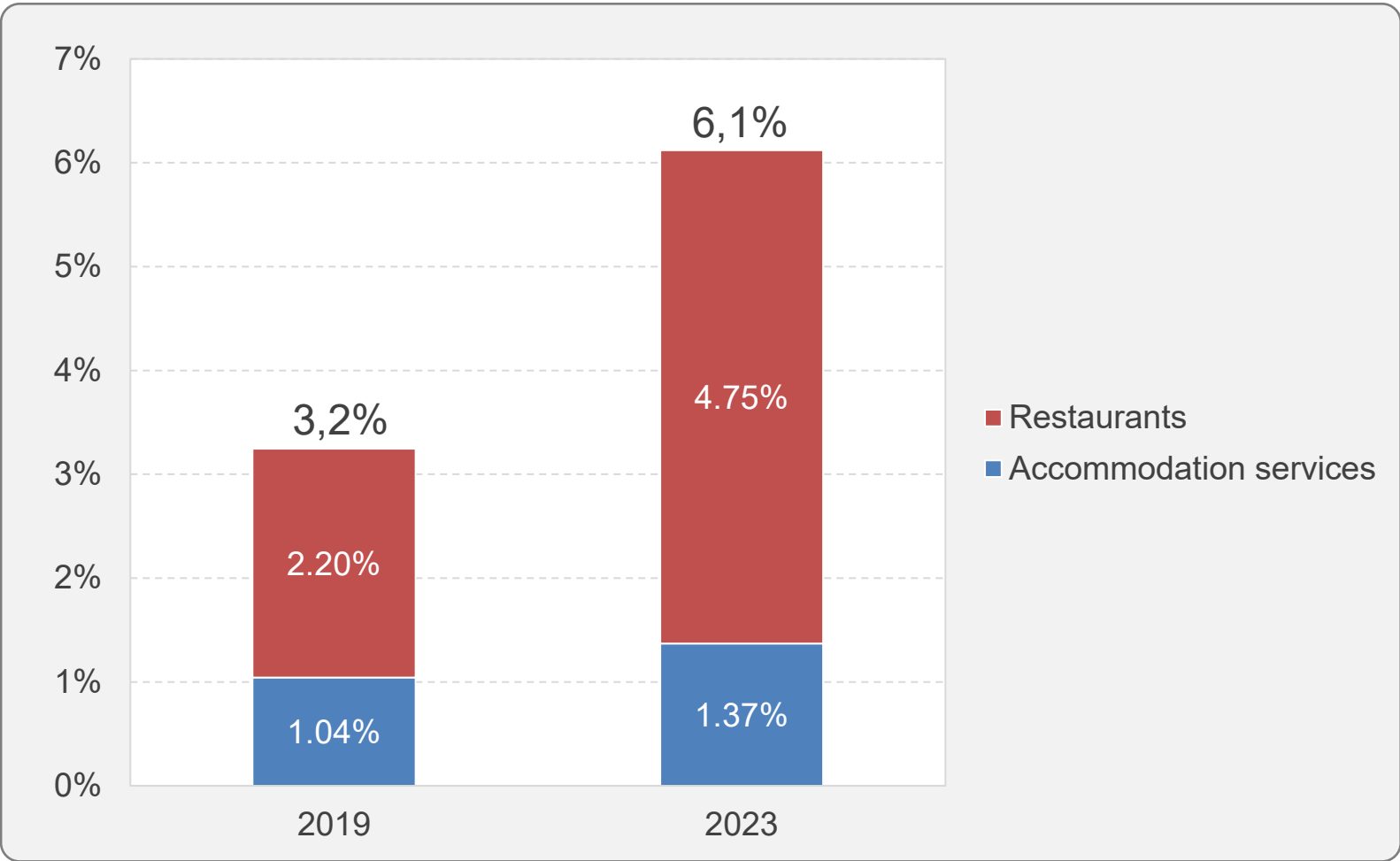




All education levels split between public and private institutions



# Restaurant and accommodation services



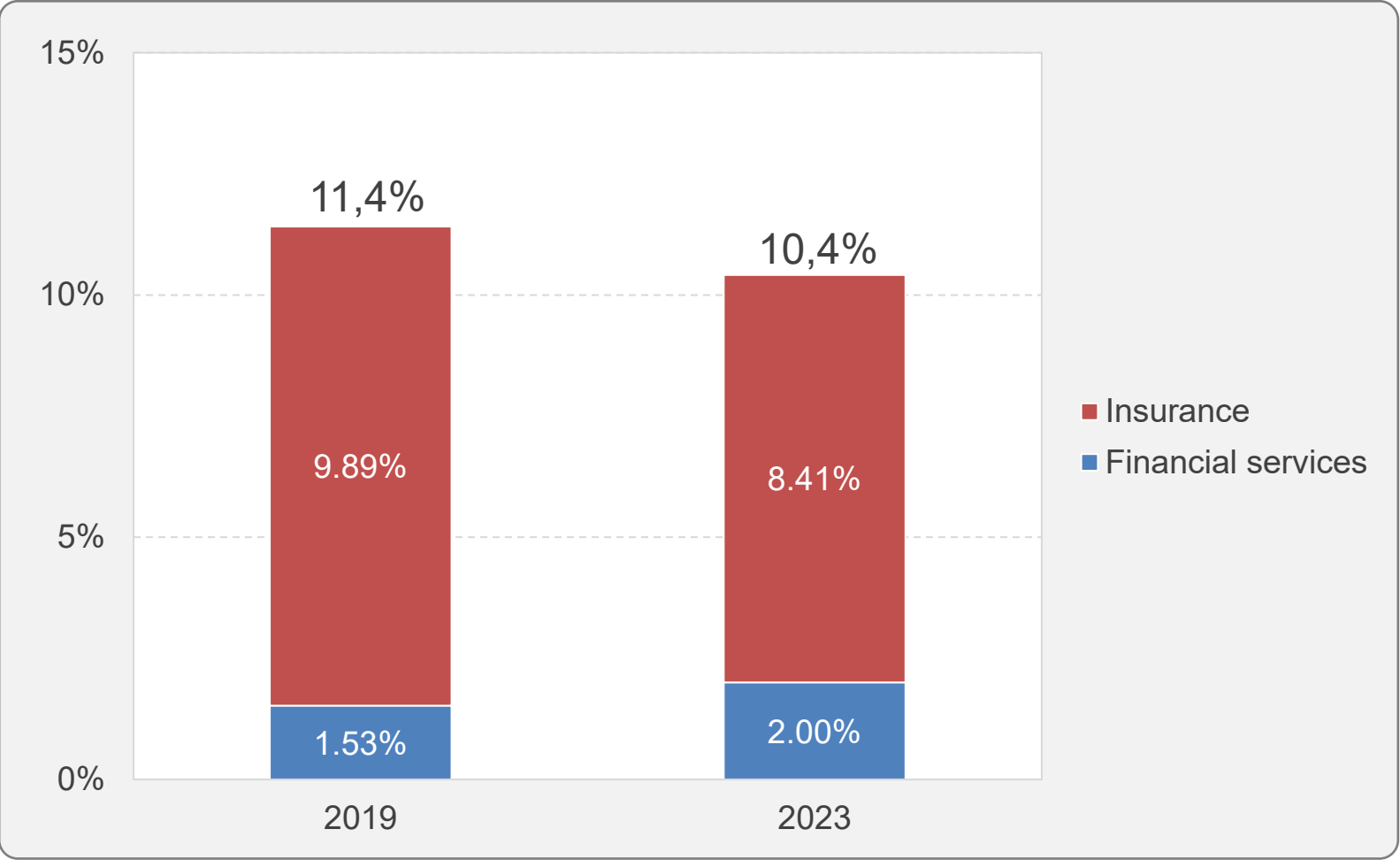
Restaurants now split into:



Full service ← → Take aways

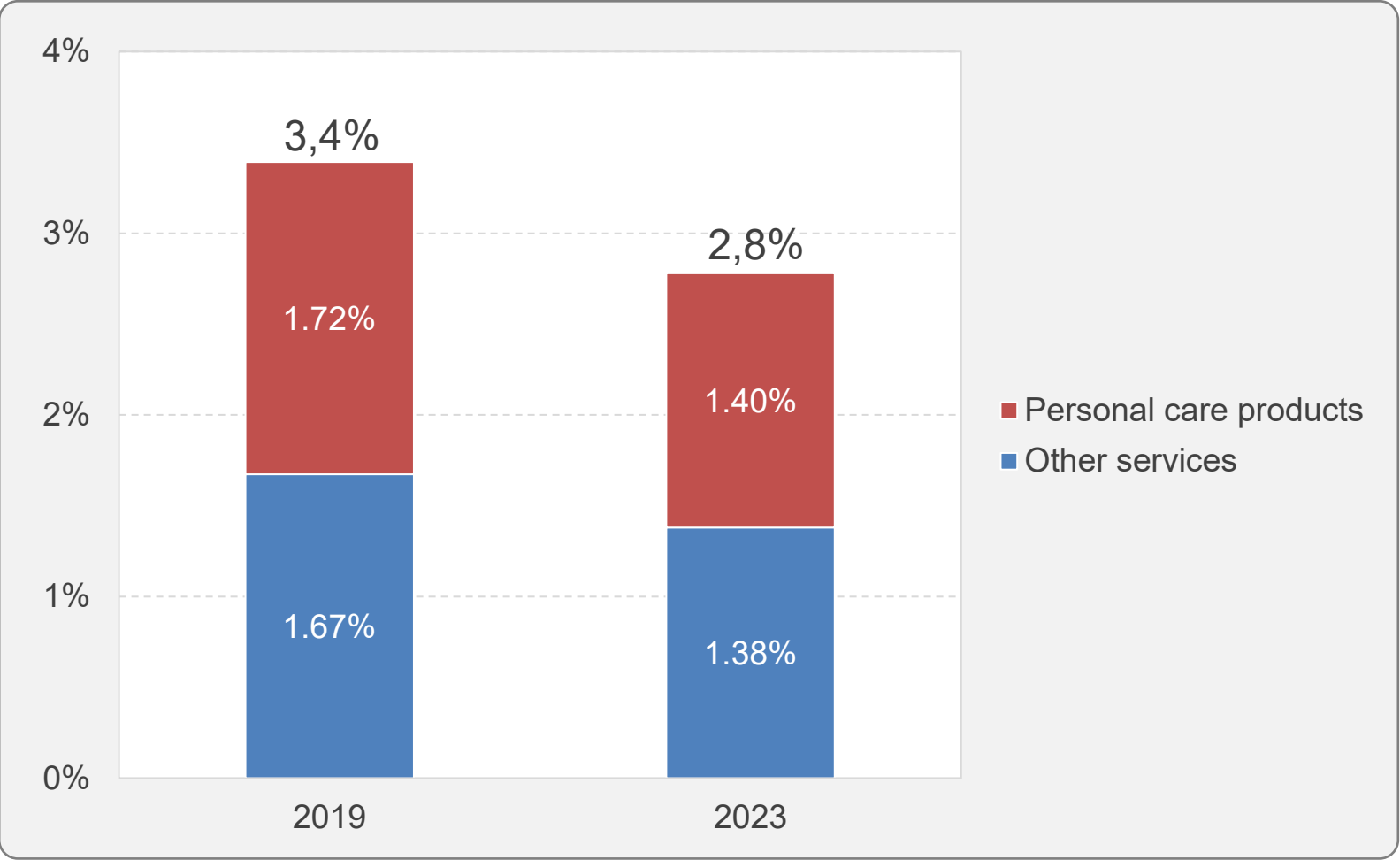
Products **entering** the basket





# Personal care and miscellaneous services

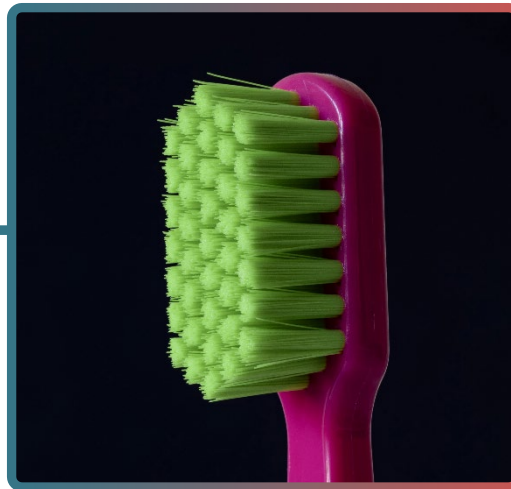
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## Products **entering** the basket

- After school centres
- Membership fees for professional associations and trade unions
- Hiring of equipment for events
- Body wash
- Earrings



## Products **leaving** the basket

- Toothbrush
- Non electrical shavers
- Conditioner
- Bubble bath
- Tissues
- Tampons
- Hair colour
- Powder
- Wipes
- Hair relaxer
- Make up (foundation)



## Today:

- Weights release (P0141.5)
- Note with information on the changes
- Concordance tables with new codes for Excel files
- Indicative time series with reclassified indices (forthcoming)

## 19 February:

- January 2025 CPI release (main + additional tables)
- All Excel files as usually published rebased to December 2024=100
- Updated sources and methods document



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Thank you



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