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Consumer Price Index - 1st Quarter 1984

The Consumer Price Index (C.P.I.) which stood at 107.5 in December 1983 rose by 4.9 points or 4.6% during the 1st quarter of 1984 to reach 112.4 in March 1984. When compared with the same month of the previous year, it shows an increase of 6.0 points or 5.6%.

The current annual rate of inflation based on the twelve months ending March 1984 works out to 5.3%. This rate was 5.6% for calendar year 1983 and 7.5% for financial year 1982/83. It is now estimated that the inflation rate for financial year 1983/84 will most likely lie in the range 5.5 to 6.0%.

The main commodities that have had a significant influence on the movement of the index during the 1st quarter of 1984 are : rice, flour, bread, sugar, edible oil, water charges and fresh vegetables.

Higher prices of rice, flour, bread and sugar became effective on the 2nd week of March 1984.

The price of Government imported rice was raised from R 1.25 to R 1.55 per half kilo. This 24% increase was alone responsible for a 1.1 point rise in the index.

The price of flour went up by 25% from R 1.20 to R 1.50 per half kilo. This pushed the index up by 0.3 point. As flour is the main constituent of bread, the price of the latter was subsequently increased by 12.5% and accounted for a further 0.4 point rise in the index.

A 20% increase in the price of sugar from R 1.25 to R 1.50 per half kilo raised the index by 0.2 point.

A substantial rise of 29% in prices of edible oil in February affected the index adversely by 0.8 point.

After the passage of cyclone Bakoly at the end of December 1983 fresh vegetables became scarce resulting in a sharp rise in their prices. In fact the level of prices of fresh vegetables were 30% higher in January bringing about a 1.7 point rise in the index during that month. However in February and March the supply of fresh vegetables became abundant again as cyclone Bakoly did not have the disastrous effects as feared originally. Substantial fall in prices were therefore registered in February and March. The lower prices of vegetables had a beneficial effect of 0.7 and 0.3 point in February and March respectively. The overall incidence of fresh vegetables on the index for the quarter was thus a 0.7 point rise over December 1983.

Water charges were revised upwards by 15% in January and raised the index by 0.2 point.

Details of changes in the index during the 1st quarter of 1984 as compared to December 1983 are shown below.

<u>Commodity</u>	<u>Change</u>
Rice	+ 1.1
Flour	+ 0.3
Bread	+ 0.4
Edible oil	+ 0.8
Eggs	+ 0.1
Fresh meat	+ 0.1
Canned meat	+ 0.1
Dairy products	+ 0.1
Fresh vegetables	+ 0.7
Sugar	+ 0.2
Other food products	+ 0.3
Water charges	+ 0.2
Medicinal products	+ 0.1
School materials	+ 0.1
Other goods and services	+ 0.3
Total	<u>+ 4.9</u> =====

Central Statistical Office,
Rose Hill.

April, 1984.

Table 1 - Inflation Rate, 1972 - 1983 (%)

<u>Calendar Year</u>	<u>Inflation Rate</u>	<u>Financial Year</u>	<u>Inflation Rate</u>
1972	5.4	1971 - 72	3.2
1973	13.5	1972 - 73	7.2
1974	29.1	1973 - 74	25.4
1975	14.7	1974 - 75	20.6
1976	13.4	1975 - 76	14.7
1977	9.2	1976 - 77	9.6
1978	8.5	1977 - 78	10.1
1979	14.5	1978 - 79	8.0
1980	42.0	1979 - 80	33.0
1981	14.5	1980 - 81	26.5
1982	11.4	1981 - 82	13.4
1983	5.6	1982 - 83	7.5

Annual inflation rate ending March 1984 5.3

Table 2 - Consumer Price Index

	<u>1982*</u>	<u>1983</u>	<u>1984</u>
January	241.7	104.6	109.9
February	245.7	106.1	110.6
March	246.4	106.4	112.4
April	247.0	106.7	
May	248.5	106.2	
June	248.4	105.8	
July	101.4	106.4	
August	101.6	106.5	
September	101.1	107.0	
October	101.5	108.1	
November	102.2	107.6	
December	103.4	107.5	

* January - June 1982, Base : January - June 1976 = 100

From July 1982, Base : January - June 1982 = 100

Table 3 - Sub indices by Major Commodity Group (Base : January - June 1982 = 100)

Commodity Group	1983				1984
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Food and Non-Alcoholic Beverages	107.9	108.3	108.6	109.1	114.2
Alcoholic Beverages and Tobacco	104.6	106.9	107.4	107.0	107.4
Fuel and Light	94.9	94.9	94.9	100.9	101.6
Housing	108.7	109.3	110.4	110.8	113.2
Clothing, Footwear and Bedding	107.4	107.5	107.7	109.5	111.3
Transport and Communication	100.7	100.9	100.9	101.2	102.2
Medical care	103.6	103.9	104.9	109.8	114.0
Education	102.5	103.2	103.2	103.6	107.3
Miscellaneous	105.4	106.9	107.3	108.8	111.6
All Groups	105.7	106.2	106.6	107.7	111.0