

Box 1 The 2023 reweighted and rebased consumer price index

On 28 January 2025, Statistics South Africa (Stats SA) published the most recently updated consumer price index (CPI) basket of goods and services, along with their respective new weights, effective from the release of the January 2025 CPI on 26 February 2025. The CPI basket represents a set of goods and services used to calculate the monthly CPI, and the new weights reflect the relative importance of each product in the basket. The updated weights of the CPI basket are primarily based on the results of the *2023 Income and Expenditure Survey (IES)*¹ conducted by Stats SA between November 2022 and November 2023, which surveyed about 32 000 households across South Africa to collect comprehensive data on household spending patterns, income sources and living conditions.

The *2023 IES* was the first comprehensive household expenditure survey conducted in a decade. Stats SA used household final consumption expenditure (HFCE) data from the national accounts as the primary source for updating the CPI basket and weights in January 2022.² During the reweighting in 2022, only basket items typically purchased in retail stores were reviewed using detailed sales data from retail chain stores, resulting in fairly minor weight changes. The latest update of the CPI basket and weights once again aligns fully with international best practice, which requires the CPI basket to reflect current consumer preferences and technological evolution, and enhances the CPI's relevance to South African consumers' inflation experiences. Additional data sources were also used to complement the *2023 IES*, including the HFCE component of the national accounts, retailer point-of-sale data, excise data sourced from the South African Revenue Service (SARS), turnover and quantity data from industry bodies, product data from structural industry surveys as well as data from regulatory agencies.

The CPI was also rebased to a new reference (base) period of December 2024 = 100, from the previous reference period of December 2021 = 100. This change eliminates the impact of historical inflation contributions in calculating the current rates of change caused by the dispersion of index levels. While it changes the levels of the indices, it does not affect the published rates of change.³ In line with international best practice, Stats SA also adopted the latest classification of individual consumption by purpose (COICOP) for the CPI product classification. The COICOP was first adopted in 1999 and has been used to classify goods and services in the South African CPI since 2008. In 2018, the United Nations Statistics Division adopted an updated version (COICOP 18), which better reflects changes in consumer spending patterns, including the impact of technological advances, and provides greater detail to improve international data comparability. Apart from the renaming of some categories, the most significant change was splitting the 'miscellaneous goods and services' category (with a previous weight of 14.81%) into two separate categories: a dedicated 'insurance and financial services' category and a new category for 'personal care and miscellaneous services'. COICOP 18 was also applied to classify expenditure in the *2023 IES* and Stats SA will implement this change in the HFCE estimates during the national accounts benchmarking scheduled for 2026.

Changes to main COICOP			
1999		2018	
COICOP	Category	Category	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

1 For the detailed results of the *2023 IES*, see https://www.statssa.gov.za/?page_id=1854&PPN=P0100&SCH=74215

2 For a discussion of the previous update of the CPI basket and weights, see 'Box 1: The reweighted and rebased consumer price index' on page 32 in the March 2022 edition of the *Quarterly Bulletin*, available at <https://www.resbank.co.za/en/home/publications/publication-detail-pages/quarterly-bulletins/boxes/2022/March/The-reweighted-and-rebased-consumer-price-index>

3 For the complete set of new CPI weights published by Stats SA, see https://www.statssa.gov.za/?page_id=1854&PPN=P0141.5&SCH=74216



To derive the CPI basket, the expenditure values of each product within the product categories were calculated. Products that fell within the cumulative value of 80% in each product category and had a minimum contribution of 0.01% of total expenditure were included in the basket. As a result, the 2023 CPI basket of goods and services includes 391 items compared to 396 items in the 2019 basket. A total of 71 new products were added, 53 products were removed, and 29 products were reorganised by either combining or splitting them, or through reclassification.

Products added to and removed from the CPI basket	
New products added to the basket	Products removed from the basket
Food and non-alcoholic beverages	Food and non-alcoholic beverages
Basmati rice	Other pasta
Sorghum meal	Ready-mix flour
Meat bones	Condensed milk
Boerewors	Cream
Viennas	Flavoured milk
Russians	Tinned vegetables
Meat patties	Frozen potato chips
Chicken nuggets and strips	Ground coffee/coffee beans
Crumbed fish	Drinking chocolate
Frozen shrimps and prawns	
Parmesan cheese	
Butter	
Garlic	
Honey	
Ready-made meals	
Natural spices/herbs	
Olive oil	
Alcoholic beverages and tobacco	
Rose wine	
Snuff	
Refills for e-cigarettes	
Clothing and footwear	Clothing and footwear
Women's skirts and sleepwear	Boys' jackets
Sets for girls	Girls' skirts
School uniform (shirts, jerseys, trousers/shorts, skirts/dresses, socks and shoes)	Infants' jackets
	Infants' shoes
Housing and utilities	Housing and utilities
Refuse collection	Branding/chip board
Sewage removal	Plaster
Gas cylinders	
Vanish	
Paintbrushes	
Furnishings, household equipment and routine maintenance	Furnishings, household equipment and routine maintenance
Loose carpets and rugs	Toaster/sandwich makers
Pillows	Teaspoons
Tablecloths	Graters
Towels	Garden water sprinklers
Face cloths	Wax shoe polish
Air fryers	Household batteries
Cooler boxes	Insecticide
Refuse bags	
Candles	

Products added to and removed from the CPI basket	
New products added to the basket	Products removed from the basket
Health	Health
Skin treatment	Eye drops
Calming and mood enhancing treatment	General practitioners - public sector
Condoms	Specialists - public sector
Spectacles, including contact lenses	
Clinic services	
Orthopaedic surgeons	
Optometrists	
Inpatient care centres	
Pathology services	
Transport	Transport
E-hailing services	Shock absorbers
School transport	Driving licences
Oil filters	Rental of postboxes
Air filters	
Lubricants	
Information and communication	Information and communication
Subscription to streaming services	TV decoders
Modems and routers	Soundbars/speakers
Calculators	Telephone fees (landline)
USB and external hard drives	
Power banks	
USB cable chargers	
Recreation, sport and culture	Recreation, sport and culture
Toy building bricks	Digital cameras
	Teddy bears
	Sleeping bags
	Plant pots
	Musical instruments
	Musical CDs
	Magazines
	Pool brushes and nets
	Files
	Crayons
	Television licences
Restaurants and accommodation services	Restaurants and accommodation services
Self-catering accommodation	
Personal care and miscellaneous services	Personal care and miscellaneous services
After school centres	Toothbrushes
Membership fees for professional associations and trade unions	Non-electrical shavers
Hiring of equipment for events	Conditioner
Body wash	Bubble bath
Earrings	Tissues
	Tampons
	Hair colour
	Powder
	Wipes
	Hair relaxer
	Make-up (foundation)
Source: Stats SA	



The composition of the CPI basket also changed, with several products moving between the main categories. For example, information technology (IT) equipment and televisions shifted to the 'information and communication' category from the 'recreation, sport and culture' category, while postal and courier services moved from the 'information and communication' category to the 'transport' category. Several food products were also reclassified and shuffled between the product groups.

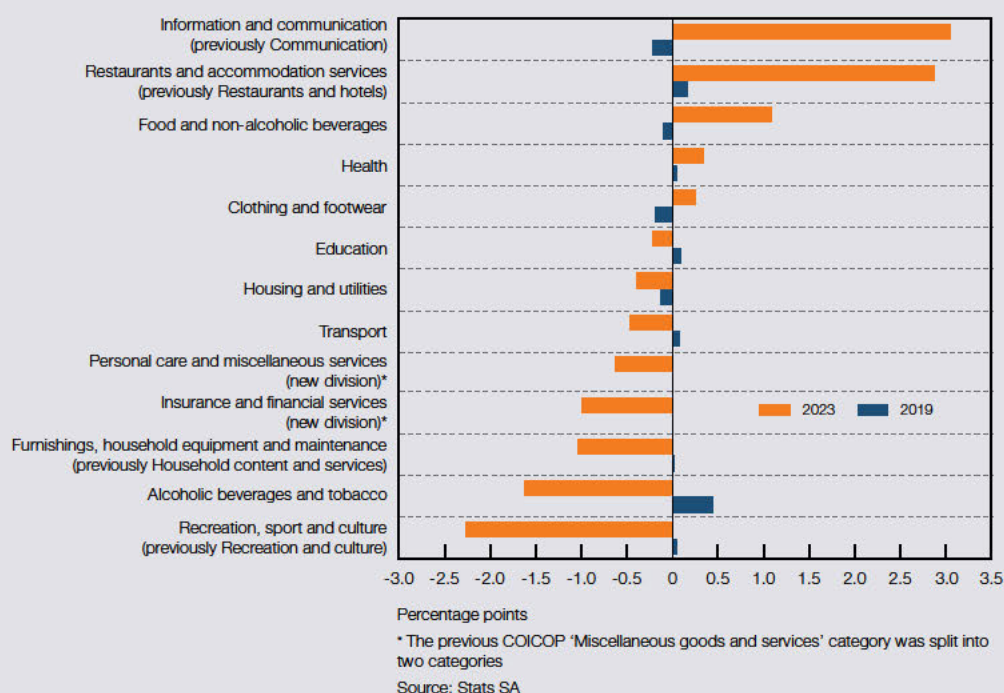
Other changes to the CPI basket	
2019 basket	2023 basket
Moved from Recreation, sport and culture	Moved to Information and communication
IT equipment	IT equipment
Televisions	Televisions
Moved from Information and communication	Moved to Transport
Postal and courier services	Postal and courier services
	Split between
Education	Public institutions
	Private institutions
	Split between
Restaurants and accommodation services	Full service
	Takeaways

Source: Stats SA

Comparison of CPI weights for all urban areas					
	2013 weights (per cent)	2016 weights (per cent)	2019 weights (per cent)	2023 weights (per cent)	Difference between 2019 and 2023 weights (percentage points)
Food and non-alcoholic beverages	15.41	17.24	17.14	18.23	-1.09
Alcoholic beverages and tobacco	5.43	5.82	6.26	4.64	-1.62
Clothing and footwear	4.07	3.83	3.65	3.90	+0.25
Housing and utilities	24.52	24.62	24.49	24.10	-0.39
Furnishings, household equipment and maintenance (previously Household contents and service)	4.79	4.35	4.37	3.33	-1.04
Health	1.46	1.40	1.44	1.78	+0.34
Transport	16.43	14.28	14.35	13.89	-0.46
Information and communication (previously Communication)	2.63	2.63	2.42	5.47	3.05
Recreation, sport and culture (previously Recreation and culture)	4.09	5.16	5.20	2.94	-2.26
Education	2.95	2.53	2.62	2.41	-0.21
Restaurants and accommodation services (previously Restaurants and hotels)	3.50	3.09	3.25	6.12	2.87
Miscellaneous goods and services – split into:	14.72	15.05	14.81		
New: Insurance and financial services			11.40	10.41	-0.99
New: Personal care and miscellaneous services			3.40	2.78	-0.62
Goods	49.86	48.70	48.68	48.37	-0.31
Services	50.14	51.30	51.32	51.63	+0.31
Total	100.00	100.00	100.00	100.00	

'Housing and utilities' remains the category with the largest weight (24.10%) in the 2023 CPI basket, followed by the 'food and non-alcoholic beverages' category (18.23%). The weights of 5 of the 13 main COICOP categories increased, while those of the remaining 8 decreased. 'Information and communication' registered the largest weight increase of 3.05 percentage points, mostly due to the movement of several products to this category and new products entering the basket. 'Restaurants and accommodation services' registered the second-largest weight increase of 2.87 percentage points, partly due to a larger share of expenditure on alcoholic beverages being allocated to purchases in restaurants. Conversely, the proportion of household spending on 'recreation, sport and culture' decreased the most (2.26 percentage points), followed by the 'alcoholic beverages and tobacco' category (1.62 percentage points). The share of services in the 2023 CPI basket increased further to 51.63%.

Changes in CPI weights by main COICOP categories



Movements in the CPI represent a weighted average of price changes, therefore revisions to the weights will impact both the level of, and changes in, the index. To minimise the impact of these weight and composition changes, and to maintain a continuous CPI time series, the previous series was linked to the new one. The indices were linked in December 2024, as both sets of indices equalled 100 in that month, along with all their aggregations. The index values for January 2025 were calculated as usual, by measuring the prices of all the detailed products in the new basket and aggregating the lower-level indices, weighted by their respective values. Periodic rebasing removes the effect of accumulated inflation over time due to the relative size of the index numbers, but it does not affect the published rates of change in these rebased indices. However, the weighted sum of the lower-level indices will not match the aggregates for periods prior to the rebasing.