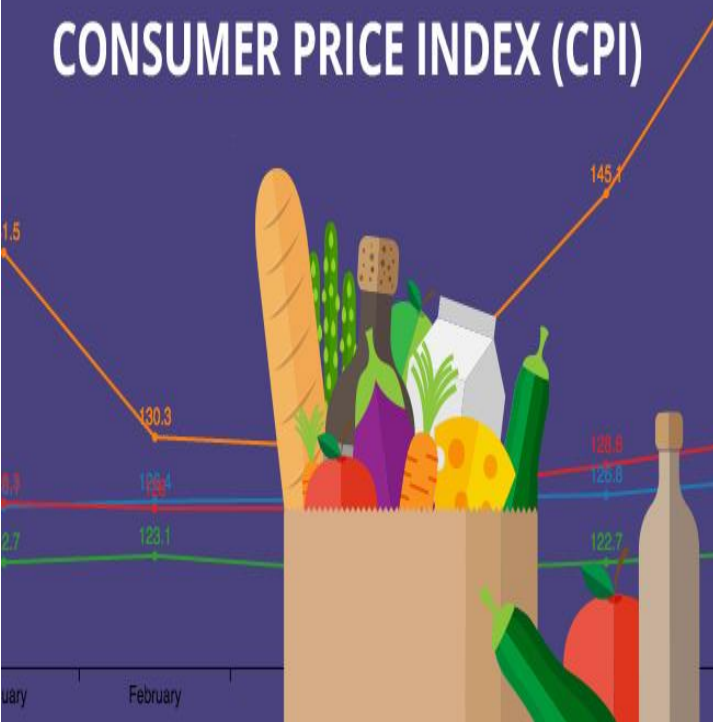


CONSUMER PRICE INDEX

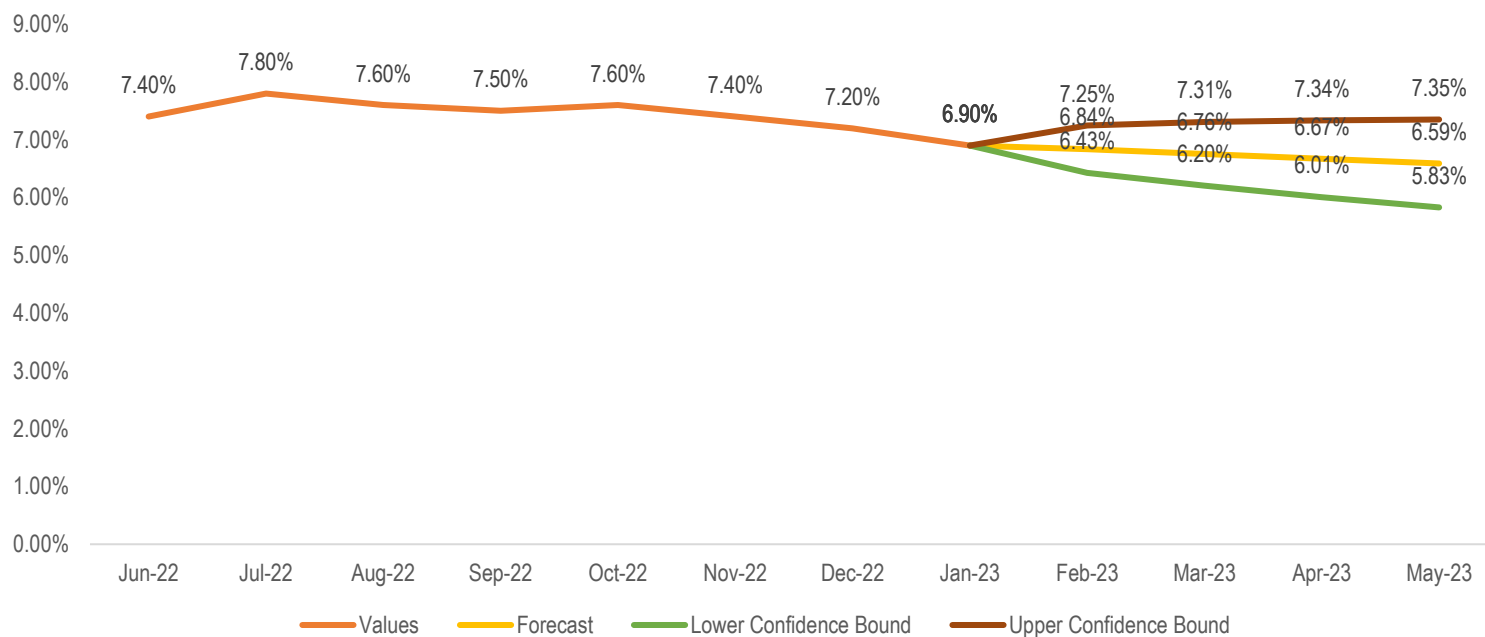
CONSUMER PRICE INDEX (CPI)



CONSUMER PRICE INDEX

- The Consumer Price Index (CPI) **decreased** by **0,1%** in January 2023.
- Annual consumer price inflation was reported at **6,9%** in January 2023, **down** from **7,2%** in December 2022.
- The main contributors to the 6,9% annual inflation rate were **food and non-alcoholic beverages; housing and utilities; transport; and miscellaneous goods and services**.
- Food and non-alcoholic beverages **increased** by **13,4%** year-on-year and contributed 2,3 percentage points to the total CPI annual rate of 6,9%.
- Housing and utilities **increased** by 4,1% year-on-year and contributed 1,0 percentage point. Transport increased by 11,1% year-on-year and contributed 1,6 percentage points.
- Miscellaneous goods and services **increased** by 4,8% year-on-year and contributed 0,7 of a percentage point.
- In January the annual inflation rate for goods was **9,5%**, **down** from **10,1%** in December.

Consumer Price Index forecasting



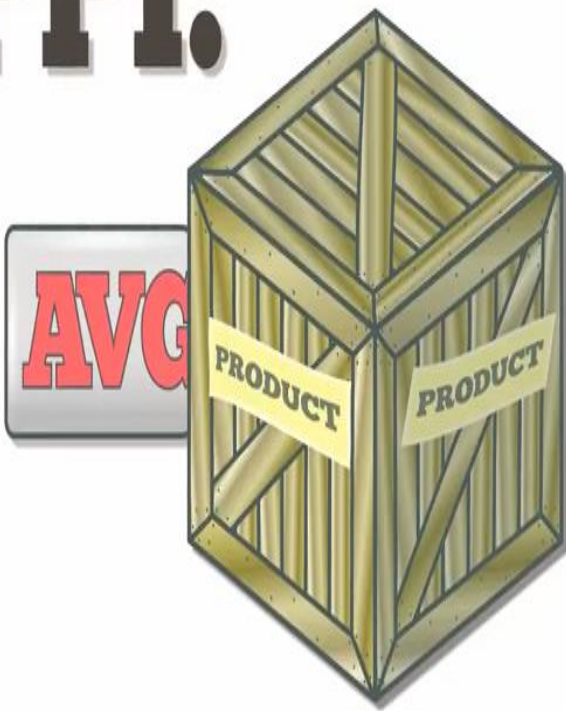
Consumer Price Index forecasting CPI

The CPI for February 2023 is expected to be 6.43%, whereas for March, it is forecasted at 6.20% with 6.01% in April and 5.83% in May, indicating an expected/forecasted decrease in CPI for the next four months.

The forecasted data was retrieved from STATSSA.

PRODUCER PRICE INDEX

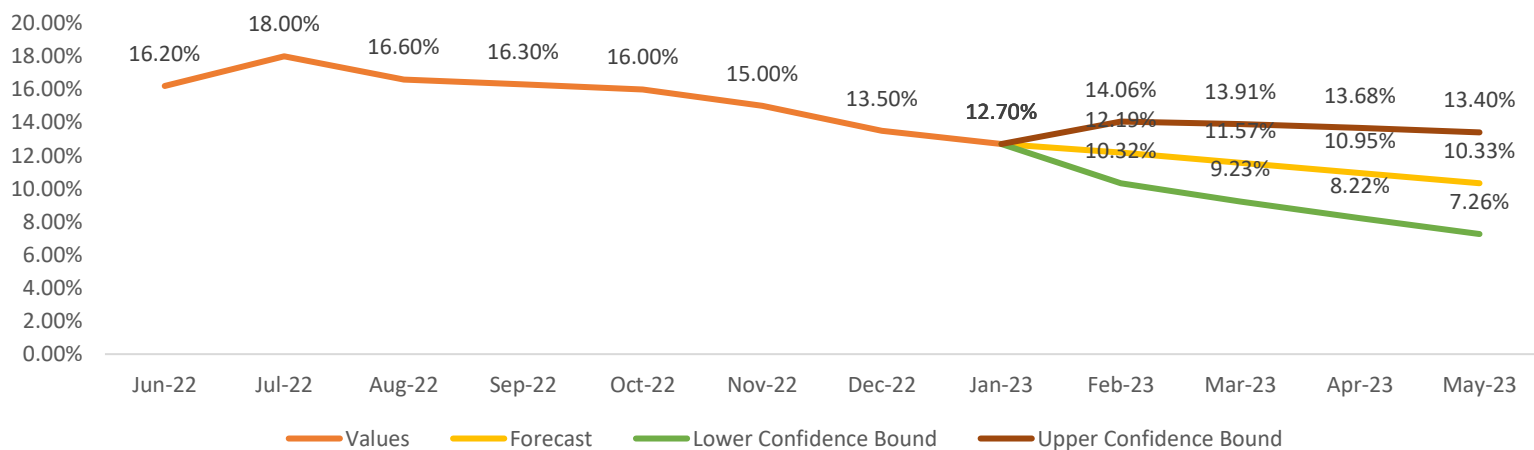
PPI:



PRODUCER PRICE INFLATION

- Annual producer price inflation (final manufacturing) was **12,7%** in January 2023, **down** from **13,5%** in December 2022.
- The Producer Price Index (PPI) decreased by 0,6% month-on-month in January 2023.
- Coke, petroleum, chemical, rubber, and plastic products **increased** by 19,6% year-on-year and contributed 5,0 percentage points.
- Food, beverages and tobacco products **increased** by 10,1% year-on-year and contributed 2,6 percentage points.
- Metals, machinery, equipment, and computing equipment **increased** by 10,7% year-on-year and contributed 1,6 percentage points.
- Paper and printed products **increased** by 15,8% year-on-year and contributed 1,3 percentage points.
- The main contributors to the headline PPI annual inflation rate were coke, petroleum, chemical, rubber and plastic products; food products, beverages and tobacco products; metals, machinery, equipment and computing equipment; and paper and printed products.

Producer Price Index forecasting



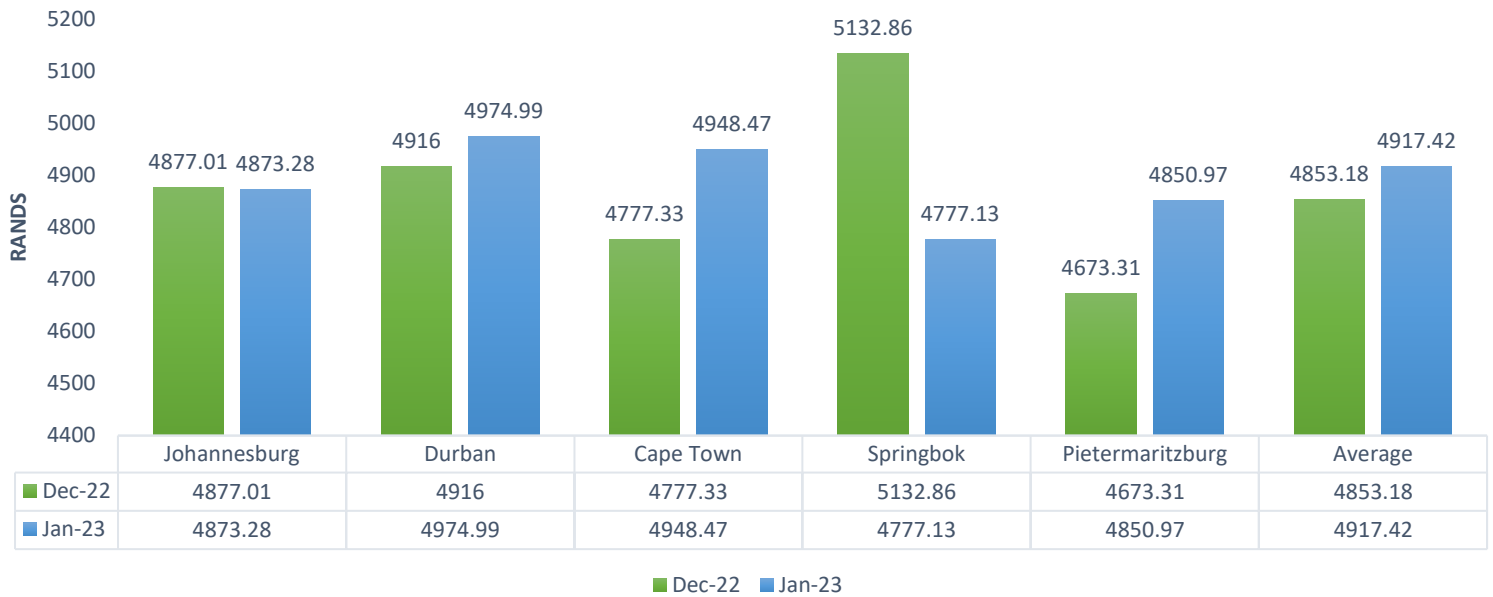
Producer Price Index forecasting

The PPI for February 2023 is expected to be 10.32%, whilst for March it is forecasted at 9.23% , 8.22% in April and 7.26% in May, indicating a decrease in PPI over the next four months.

The data was retrieved from STATSSA.

COST OF HOUSEHOLD FOOD BASKET AND NATIONAL MINIMUM WAGE

Cost of Household Food Basket in December 2022 vs January 2023



Cost of Household Food Basket in December 2022 vs January 2023

The costs of household food baskets between December 2022 and January 2023 **decreased** in Johannesburg area and Springbok region, respectively, by **R3.73** and **R355.73**. There was an **increase** of **R58.99** in Durban, **R171.14** in Cape Town and **R177.66** in Pietermaritzburg. On average, the household food costs between December 2022 and January 2023 **increased** by **R64.24**.



JANUARY 2023 Household Food Index: All areas, by foods prioritised & bought first:

The following are the food items prioritised or bought first: Mazie meal, Rice, cake flour, white sugar, sugar beans, samp cooking oil, salt, potatoes, onions, frozen chicken portions, curry powder, stock cubes, soup, tea, white bread and brown bread.

Month-on-month: The average cost of the foods prioritised and bought first in the typical household food basket **increased** by **R29,39 (1,1%)** from **R2 676,74** in December 2022 to **R2 706,13** in January 2023

Year-on-year: The average cost of the foods prioritised and bought first in the household food basket **increased** by **R367,30 (15,7%)** from **R2 338,83** in January 2022 to **R2 706,13** in January 2023.



National Minimum Wage

The national minimum wage (NMW) as well as minimum wages in some other sectors will **increase** with effect from 1 March 2023.

The minimum wage will increase from **R23.19** per hour to **R25.42** per hour, an increase of approximately **9.6%**, with a few exceptions.

The exceptions include:

Workers employed on Expanded Public Works: **R13.97** per hour.

Employers in Contract Cleaning Sector will have to increase their minimum rates to **R27.97** per hour in metropolitan areas and **R25.50** per hour in rural areas.

Employers in Wholesale and Retail Sector will have to increase their minimum rates (which depends on the job category, the lowest of which is in line with the NMW at **R25.42** per hour)

JUST WHAT
LOAD
-SHEDDING
STAGE ARE WE IN,
ANYWAY ?



Eskom has confirmed that it briefly entered **stage 7** load shedding on Wednesday (22 February 2023) following a similar move on Tuesday.

According to information updates from Eskom Spokesperson, Sikhonathi Mantshantsha, the power utility shed over 7 000MW of power on Wednesday. By the Eskom System Operators own definition, that is stage 8 load shedding.

Each stage represents an additional 1 000 MW of demand removed from the grid.

Stage 1 is up to 1 000 MW, stage 2 up to 2 000 MW, stage 6 up to 6 000 MW and so forth.

Therefore, stage 8 is above 7 000 MW, lower than 8 000 MW demand shed from the grid.

Eskom's former general manager of systems operations, Robbie van Heerden, has warned South Africans of a possible **stage 8** in Winter.

"People must realise that South Africa is in a very bad situation. Load shedding will not go away. It will not stop at the end of the year as promised by the president" he said.

He indicated that power stations are in a very bad condition and that the problem is not the electricity networks. "The maintenance at Eskom is pathetic. There are maintenance agreements which have not been done for two years."



The Financial Action Task Force has placed South Africa on a list of countries under increased monitoring, commonly known as the grey list, after SA failed to address all the shortcoming on money laundering and the financing of terrorism that the task force identified in its 2019 evaluation of the country.

The below are consequences of SA's grey listing:

- Less capital will flow into South Africa
- Economic penalties might be imposed on South Africa
- Less foreign direct investment (FDI)
- Decrease in South Africa's external reserves
- Difficulty obtaining financing on the international market
- Decreased competitiveness of SA companies in the global economy
- Climate adaption will be impacted.

SOURCES:

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