

WHICH PRICES WENT UP?

EVERY month the government, through Statistics SA, measures the inflation rate through what is known as the Consumer Price Index – or CPI.

Inflation is an economic tool that tells us the general level of prices in the economy and how prices are changing.

When inflation is high, it means prices are going up very quickly and when inflation is low, it means that prices are rising very slowly.

This is an important measurement because when prices increase, your income will allow you to buy fewer goods and services than before.

CPI is the price of a basket of goods and services that a typical family would buy each month, for example, food, rent, transport, electricity, clothing, school fees and entertainment – all the normal things that a typical family would need every month.

Each month, Statistics SA adds up the price of everything in this basket of goods and services and compares it to the price of the same bas-

ket of goods in the previous month or year to find out how much the prices have changed in that period.

SunMoney asked Farai Muronda, money expert at Liberty Group Advisory Services, to go through the CPI figures from January until September, and this is what he found.

The bad news comes for smokers, and people who like tea, coffee and Coke.

The good news for cooks, babies and for everybody who enjoys pap.

The biggest increase this year has been in the price of cigarettes – up a massive 17,84% since January.

Tea and coffee are both up by 13,57%, and Coke is up by 10,89%.

Keeping clean also cost more: soap and toothpaste were both up by 10,63%.

And while eggs and milk are up 8,52%, the price of baby cereal and pap have gone DOWN since January, although your saving is only 2,37%.

And cooking oil will cost you 13,17% less than it did in January!

