

Inflation continues to accelerate amid higher fuel and food prices

Headline consumer inflation ended 2021 at 5,9% in December, up from 5,5% in November. The monthly increase was 0,6%, slightly higher than the 0,5% rise recorded between October and November.



Source: [Fxabay](#)

Average consumer inflation for 2021 was 4,5%, higher than the averages recorded for 2020 (3,3%) and 2019 (4,1%).

The factors driving the rise in the cost of living over the last few months were also behind December's inflation reading. Specifically, large price rises in the transport category (particularly fuel) and increases in important food groups such as meat, and oils and fats.

Petrol price hits record high

Fuel prices jumped by 40,5% in December 2021 compared with December 2020, with the price of inland 95-octane petrol rising to R20,29 per litre. This is the first time that the price has broken through the R20 per litre mark. The record rise in fuel prices is the main factor behind the 16,8% annual rise in the transport index, up from 15,0% in November. Transport inflation contributed 2,3 percentage points to the 5,9% headline rate.

Motor-vehicle insurance (in the miscellaneous category) increased by 2,6% from November to December, taking the annual rate to 1,7%.

Meat price rocketing

The food and non-alcoholic beverages index recorded an annual rise of 5,5% in December. The annual rate recorded for meat in December (8,6%) was slightly up from November's reading (8,5%). However, the 1,2% monthly increase in meat prices between November and December was far higher than the 0,4% rise recorded between October and November. This is the biggest monthly increase since May 2021 (also 1,2%).

Beef products recorded large price increases between November and December, with prices for steak rising by 2,8%, stewing beef by 2,4% and mince by 1,3%.

Prepare to pay more for oils and fats

Oils and fats continue to record relatively high rates of inflation, registering an annual increase of 20,8% in December, slightly lower than November's 21,0%. The average price for a bottle of cooking oil (750 ml) increased by 19c to R30,22 in December. A jar of peanut butter (400 grams) increased by 60c to R34,52.

Bread and cereal inflation slowed during 2021, with the annual rate softening to 1,8% in December from the year's high of 4,9% in May.

The December consumer price index (CPI) release incorporates the most recent results of the quarterly rental survey. Annual inflation for imputed rents (1,9%) and actual rentals (1,1%) remains relatively low.

For more information, download the December 2021 CPI release [here](#) .

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