

**Current (Actual)** **3.5%** ▼ **November 2025 – Statistics SA**  
 Previous month 3.6% **October 2025 – Statistics SA**

**Medium-term Inflation Forecasts**

Institution	2025	2026	2027
SARB (November MPC)	3.3%	3.5%	3.1%
National Treasury (November MTBPS)	3.3%	3.7%	3.3%

**Repo Rate**

6.75%

**Prime Lending Rate**

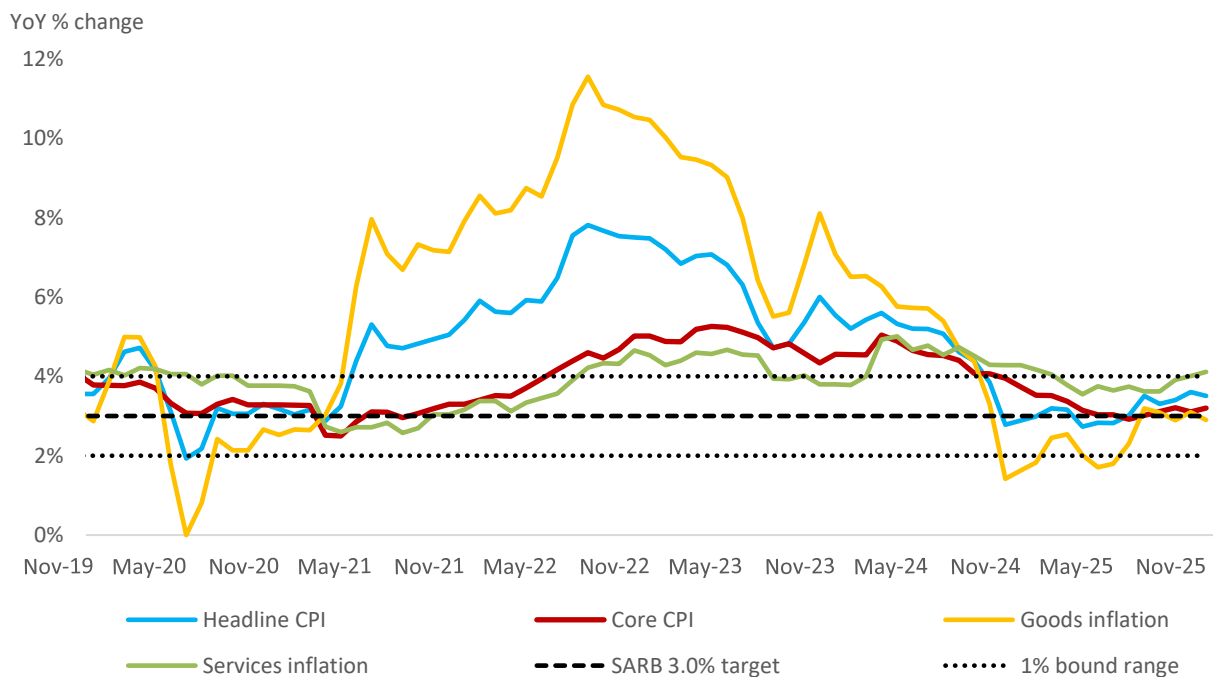
10.25%

(Next SARB interest rate decision due: 29 January 2026 @ 15:00)

South Africa’s **Consumer Price Index (CPI)** surprised to the downside, **easing to 3.5%** year-on-year (y-o-y) in November from 3.6% in October. This brings the year-to-date average (January–November) to 3.2%, undershooting expectations from both the South African Reserve Bank (SARB) and National Treasury. The print also came in slightly below Bloomberg’s market consensus of 3.6%, where surveyed economists anticipated inflation would remain unchanged from October.

**Core inflation**—which excludes volatile food and energy prices—edged higher to **3.2%** from 3.1% in October, in line with Bloomberg’s market consensus. A closer breakdown shows **goods** inflation slowed to **2.9%** y-o-y from 3.1%, while **services** inflation ticked up for the third consecutive months to **4.1%** in November from 4.0% in October.

**Figure 1: Services Inflation Edges Beyond Target Band**



Source: Statistics SA & Minerals Council

### Breakdown:

Headline CPI decreased by 0.1% month-on-month (m-o-m). In November, Stats SA conducted surveys on hospitals, electricians, plumbers and sports tickets. Below, we outline the main contributors to the increase.

**Housing and Utilities:** Housing and utilities continued to be the largest contributor to headline inflation in November, accounting for 1.1 percentage points of the overall 3.5% CPI rate. Prices in this category were 4.5% higher y-o-y, with **maintenance and repair costs** rising **0.8% m-o-m**, driven by **electricians (+1.9% m-o-m, +10% y-o-y)** and **plumbers (+1.9% m-o-m, +3.4% y-o-y)**. Service costs continue to exert upward pressure on this component and the broader economy, as shown in Figure 1. A small decline in gas prices provided some relief, reducing the cost of electricity, gas, and other fuels by 0.3%.

**Food and Non-Alcoholic Beverages (NAB):** Prices in this category edged up 0.1% m-o-m in November, making it the second-largest contributor to the 3.5% headline CPI, accounting for 0.8 percentage points. On an **annual basis**, inflation **accelerated to 4.4% y-o-y** from 3.9% in October, **partly reflecting seasonal demand** ahead of the festive season as purchases of food and non-alcoholic beverages typically rise in November and December. Key drivers included **fruits and nuts (+3.5% m-o-m)**, **oils and fats (+0.5%)**, and **meat (+0.7%)**, with meat remaining a major influence given its weight in the CPI basket. On the flip side, prices for **vegetables (-1.9%)**, **cereal products (-0.6%)**, and **processed foods (-0.2%)** continued to ease.

**Alcoholic Beverages and Tobacco:** In November, alcoholic beverage prices rose **0.1% m-o-m**, driven mainly by **white wine (+0.7%)**, **gin (+0.1%)**, and **beer (+0.1%)**. Cigarette prices were flat over the month, while tobacco edged up **0.5% m-o-m**. On an annual basis, **cigarettes** and **tobacco** recorded increases of **4.2%** and **8.1% y-o-y**, respectively.

**Transportation:** Transportation costs eased in November, contributing 0.1 percentage points to the 3.5% headline CPI. Prices fell 0.4% m-o-m, mainly due to a 2.2% drop in fuel prices. Operating costs for personal transport also declined (-1.4% m-o-m), with tyre prices down 0.8%, disc pads -2.3%, and air filters -0.6%. Fuel was the most significant driver, as anticipated: 95- and 93-octane petrol fell by 51 cents per litre, while diesel dropped 19 cents (0.005%) and 21 cents (0.05%).

However, December brought sharp fuel price hikes during the holiday travel period. Petrol rose **29 cents per litre**, while diesel surged **82 cents** (0.005%) and **65 cents** (0.05%). These increases are expected to put upward pressure on the December CPI print.

On the **health** front, Stats SA surveyed hospital fees in November. While this subcategory contributed only 0.1 percentage points to the headline rate, **private hospital costs** rose sharply, with ward and theatre fees up 5.7% year-on-year. Among medical professionals, **dentists** were 5.2% more expensive than a year ago, **general practitioners +6.6%**, **obstetricians and gynaecologists +6.7%**, **physicians +5.1%**, and **paediatricians +4.8%**.

### Outlook:

Headline inflation surprised to the downside again in November, easing to **3.5% y-o-y**, marking the second consecutive month where headline inflation came in below market expectations. This trend in inflation was one of the key factors behind the SARB's decision in November to cut interest rates

by **25 basis points**, citing inflation's alignment with the new target range. Furthermore, the rand has maintained relative strength vis-à-vis our trading partners, making imports relatively cheaper, while higher commodity prices—particularly gold and Platinum Group Metals (PGMs)—have improved South Africa's terms of trade.

Fuel prices, despite a December uptick, have generally trended lower over the past year, supported by an oversupply of Brent crude oil, which benefits importers like South Africa. Overall, the inflation outlook remains favourable: average inflation for 2025 is projected at **3.2–3.3%**, with a modest rise to around **3.5% in 2026**, assuming supportive conditions persist. Continued rand strength, firm commodity prices, and stable oil markets would reinforce this positive trajectory. However, risks remain, particularly from food and meat prices, which are significant cost drivers for consumers.

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