

23 April 2026

Slight increase for March 2026 CPI

Current (Actual)	3.1% ▲	March 2026 – Statistics SA
Previous month	3.0%	February 2026 – Statistics SA
Inflation target band ¹	3% ± 1%	

Medium-term Inflation Forecasts

Institution	2026	2027	2028
SARB (January MPC)	3.3%	3.2%	3.0%
National Treasury (February '26 Budget)	3.4%	3.3%	3.2%

Repo Rate

6.75%

Prime Lending Rate

10.25%

(Next SARB interest rate decision due: 28 May 2026 @ 15:00)

Consumer price inflation (CPI) registered 3.1% year-on-year (y-o-y) in March 2026 from 3.0% in February. On a month-on-month basis (m-o-m), CPI increased by 0.6%. Core inflation, which excludes volatile items such as food, fuel and beverage prices, measured 3.6% y-o-y. The slight uptick in March inflation coincides with heightened geopolitical tensions following the United States and Israel's attack on Iran on 28 February 2026, signalling potential spillover risks to the South African economy. The first direct impact of this will likely be seen in the April 2026 CPI print.

Inflation for goods eased further to 1.8% y-o-y from 1.9%, while services inflation increased to 4.2%, up from 3.8% previously, suggesting continued cost pressures in the services industry.

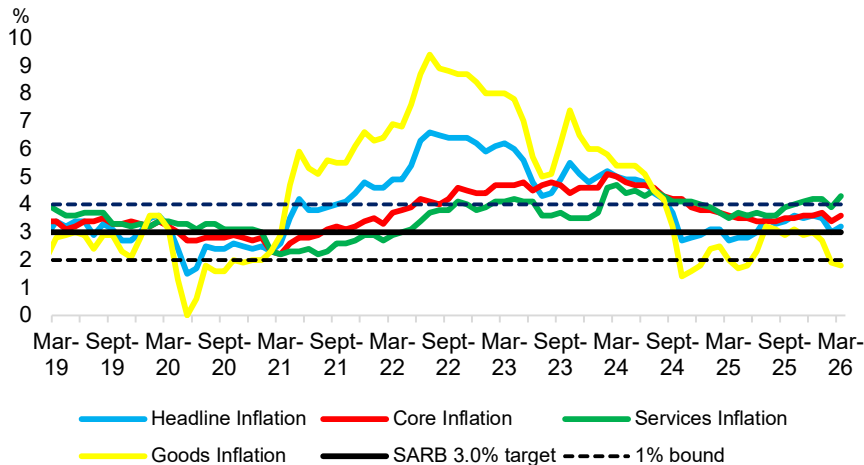
The main contributors to the 3.1% annual inflation rate were:

- Housing and utilities, which increased by 5.1% y-o-y and contributed 1.2 percentage points to headline inflation;
- Food and non-alcoholic beverages, which rose by 3.6% y-o-y and contributed 0.6 percentage points; and

¹ In November 2025, National Treasury formally adopted a 3% inflation target with a 1-percentage-point tolerance band to allow for temporary shocks. Prior to this shift, South Africa operated within a 3–6% target range, with policy generally guided toward the informal midpoint of 4.5%.

- Insurance and financial services, which increased by 4.6% y-o-y, contributing 0.5 percentage points to overall

Figure 1: Slight increase in Annual Headline CPI



Source: StatsSA, SARB, Minerals Council

Breakdown

Within the CPI basket **administered prices** are a major category that affects the global competitiveness of the mining sector. Contributing 12.9% to the CPI basket these products and services are directly or indirectly influenced by government and include, among others, water supply, refuse collection, sewage removal, assessment rates, electricity, gas in cylinders, paraffin, prescription medicine, dispensing fees, diesel, petrol, toll fees etc. Transport, which accounts for 13.9% of the CPI basket, is another important category that is key to the mining sector's competitiveness.

1. **CPI for administered prices.** Overall, prices in March for this category increased by 2.1% (y-o-y) and by 0.7% m-o-m (between February and March 2026).
2. **CPI for administered prices excluding fuel and paraffin:** Prices in this category increased by 6.4% (y-o-y) - much higher than the South African Reserve Bank's (SARB) inflation target mid-point of 3%. In fact, it is above the 4% upper bound of the inflation targeting framework. On a monthly basis, between February and March 2026, this category increased by 0.5%. Historically this category has averaged more than average headline CPI inflation. For example, in the last 10 years to March 2026 it averaged 6.4% compared to 4.8% average headline CPI inflation.
3. **CPI per province.** Provincially mining contributes the most to the economies of the North West, Mpumalanga, the Northern Cape, Limpopo where CPI inflation for March 2026 increased by 2.8%, 2.9%, 2.5%, and 2.4%, respectively (y-o-y). Combined these provinces contribute 19.7% to the country's CPI basket.

4. **Transportation.** Transport prices declined by 1.6% y-o-y and by 0.6% on a m-o-m basis. The decline was largely driven by fuel prices, which fell by 8.7% in March 2026 compared to the same period last year, continuing to provide downward pressure on overall inflation.

As a side note, the March 2026 CPI for decile -10 - households spending R307,886 or more annually - was marginally higher at 3.3% y-o-y than the headline figure of 3.1%. This group also recorded the highest inflation rate among all deciles.

Outlook

Looking ahead, we expect headline CPI is to rise in April and May 2026. Price transmission from global commodity and supply-chain disruptions typically occurs with a lag. As a result, the full effects of heightened geopolitical tensions had not yet materially filtered through to consumer prices, including those observed on supermarket shelves, by March.

In the near term, upward risks to inflation are expected to persist as higher global energy and transport costs gradually pass through to domestic prices. This may place renewed pressure on administered price inflation, partially offsetting the current disinflationary effects from lower fuel prices.

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