Media Statement
For Immediate Release
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NEW COST OF LIVING REPORT FINDS HOUSEHOLDS STILL FACING HIGH ESSENTIAL COSTS

The Competition Commission (Commission) today released its third Cost of Living (COL) Report, highlighting sustained pressure on household budgets as electricity, water, petrol, transport, healthcare and communication costs continue to rise faster than overall inflation.

The report also raises concerns that consumers are not always benefiting from lower input costs. In several food markets, including brown bread, maize meal and sunflower oil, the producer prices remain elevated despite significant decreases in the price of grains and oilseeds. In other food markets such as individually quick frozen (IQF) chicken and canned pilchards the retail price remains elevated despite stable or declining producer prices.

The COL Report builds on the Commission's Essential Food Price Monitoring work, first published in July 2020 to track selected staple food prices from farm to retail level. The report has since expanded beyond food to include essential non-food items such as electricity, water, housing, healthcare, transport, education and communication services, as well as the effect of interest rates on affordability. The analysis is based on publicly available information and does not make findings of wrongdoing by any company. Rather, it helps the Commission assess how prices move through the value chain and identify where gaps are widening or narrowing.

The COL Report provides insight into the affordability of basic food and non-food items, particularly for low-income households. For non-food items, it uses Consumer Price Index (CPI) data from Statistics South Africa to assess both short-term (current) and long-term cumulative trends from 2020 to July 2026. The analysis shows that, although price pressures differ across different categories, essential expenditure continues to place significant pressure on household affordability.

- Between July 2025 and July 2026, **electricity prices rose by 8.1%** and **water prices by 10.1%,** both significantly above overall inflation of 4.3%. Over the six-year period, both electricity and water prices increased well above cumulative overall inflation.
- **General practitioner consultation costs increased by 3.5%** between January 2025 and January 2026. Over six years, these costs rose by 38%, exceeding cumulative overall inflation of about 36%.

- **Petrol prices increased by 26%** between January and July 2026, driven largely by global pressures linked to the Middle East conflict. **Minibus taxi fares increased by 13%** over the same period, raising concerns that commuters may continue to face higher costs even if petrol prices decline, as taxi fares generally do not adjust downwards.
- **Wireless internet service prices increased by 4.1%** between January and July 2026, above overall inflation of 3.8% over the same period.

The COL Report also examines the "spread" between what producers receive and what consumers pay for selected foods, including canned pilchards, eggs, individually quick frozen (IQF) chicken, brown bread, sunflower oil and maize meal. The "spread" reflects the percentage difference between the producer and the retail prices.

Higher fuel and transport costs have increased production, logistics and distribution costs across the economy, adding additional upward pressure on the prices of basic goods. This is reflected in several food markets. In some markets, however, producer or retail price increases to historic highs raises concerns that these increases are not cost-reflective and may not decrease when fuel prices normalise. The Commission will continue to monitor these markets closely.

- Egg producer prices have increased substantially since April 2026, coinciding with the fuel price increases during this period.
- Retail prices of IQF chicken and canned pilchards have been increasing in 2026, despite producer prices for both items remaining stable and declining over the same period.
- For brown bread, maize meal and sunflower oil, the producer prices remain elevated despite significant decreases wheat, maize and sunflower seeds prices. This is concerning as consumers are not seeing the benefits of lower grain and oilseed prices.

Each edition of the COL Report includes a "deep dive" into one key cost driver. This edition focuses on water, where similar affordability concerns arise. Water tariffs are primarily shaped by the costs and institutional arrangements across the water value chain, highlighting an important policy challenge of ensuring financially sustainable water services without placing an excessive affordability burden on households. Ongoing sector reforms provide an important opportunity to address these challenges. Greater transparency and consistency in tariff setting, stronger oversight across the water value chain, improved infrastructure investment and incentives for greater operational efficiency will be critical to ensuring that future tariff increases are justified by the efficient cost of providing services.

The full COL report can be accessed at https://www.compcom.co.za/wp-content/uploads/2026/09/CC_Cost-of-Living-Report_Aug-2026.pdf

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