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Changes in Prices of Consumer Goods in South Africa

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ABSTRACT The purpose of this paper is two-fold: firstly to compare the prices over 24 years and secondly to determine the reasons for high prices. Using a longitudinal study, the researcher compared the prices of 45 household items over an 18 year period in Mthatha (Eastern Cape, South Africa) and some surrounding areas. Data was collected from supermarkets and analysed using spreadsheets and a hand-held calculator. In May 1992 the 45 items cost R220.18. In June 2010 the same items cost R743.05, this is an increase of R522.87 or 237 percent over a period of 18 years. In 2016, these items cost R1 134.60. This means that in 2016 consumers paid 415 percent more for a basket than in 1992. According to available literature, some reasons for the difference are increases in energy costs, climatic changes, production costs, anti-competitive behaviour, rising income of middle class consumers, exchange rates and inflation.