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MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



PROVINCIAL INFLATION BULLETIN

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COMPILED BY: ECONOMIC ANALYSIS

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KEY FINDINGS

- The national headline annual inflation rate for all urban areas was 3.1% in March 2026 and increased from 3.0% in February 2026.
- Mpumalanga's inflation rate increased from 2.7% in February 2026 to 2.9% in March 2026.
- Among the nine provinces, Mpumalanga recorded the sixth lowest/fourth highest inflation rate in March 2026.
- In March 2026, Mpumalanga's inflation rate of 2.9% was lower than the national headline inflation rate (3.1%) for the twenty-sixth month in succession.
- In March 2026, Mpumalanga's inflation rate was within the revised target for the nineteenth consecutive month.
- During March 2026, the housing and utilities index accounted for 42.5% and the food and non-alcoholic beverages (FNAB) index accounted for 30.1% of the average price increase in Mpumalanga. The insurance and financial index accounted for 10.9%, whilst the transport index declined and put the brakes on the overall increase in the inflation rate.
- When the impacts of the more volatile food and non-alcoholic beverages prices, as well as that of petrol and electricity are excluded from the consumer price index, the underlying core inflation in Mpumalanga would have been 2.8% in March 2026.
- In March 2026, the South African Reserve Bank (SARB) revised its Quarterly Projection Model (QPM). The headline inflation forecast for 2026 was revised to 3.7%, up from 3.3% in January 2026. The inflation forecast for 2027 was marginally revised upwards to 3.3% and the 2028 forecast was kept stable at 3.0%.

1. INTRODUCTION

The Provincial Inflation Bulletin of Mpumalanga is a monthly publication of Economic Analysis. The Bulletin is based on inflation consumer price index (CPI) data supplied by Statistics South Africa (Stats SA) on a monthly basis. The purpose of the Bulletin is to provide an essential reference to Mpumalanga policy makers by presenting the latest inflation data and analysis with specific reference to Mpumalanga.

It is essential to note that policy makers in Mpumalanga cannot directly influence the provincial inflation, as it is the mandate of the South African Reserve Bank (SARB). However, as inflation is an impediment to provincial economic development, it is important to understand the inflation scenario in Mpumalanga. Shedding light on inflation in Mpumalanga should strengthen interventions against the triple economic challenges.

2. NATIONAL INFLATION SCENARIO

The national average annual inflation rate was 3.2% in 2025. This average annual inflation rate of 3.2% was 1.2 percentage points lower than the corresponding average annual inflation rate of 4.4% in 2024.

In March 2026, the annual consumer price inflation, as measured by the consumer price index (CPI) was 3.1% and increased from 3.0% in February 2026. Inflation was within the revised target¹ of the SARB for the nineteenth month in succession.

Among the 13 group indices, the annual inflation rate of alcoholic restaurants and accommodation services (5.9%), education services (5.4%), housing and utilities (5.1%), insurance and financial services (4.6%), alcoholic beverages and tobacco (4.2%), health (3.9%), as well as FNAB (3.6%), were higher than the national inflation rate of 3.1% in March 2026.

The price increase in personal care and miscellaneous services (2.8%), recreation, sport and culture (2.6%), clothing and footwear (1.2%), information and communication (0.7%), as well as furnishings, household equipment and maintenance (0.0%), were below, the national inflation rate. Furthermore, transport (-1.6%) recorded a decline.

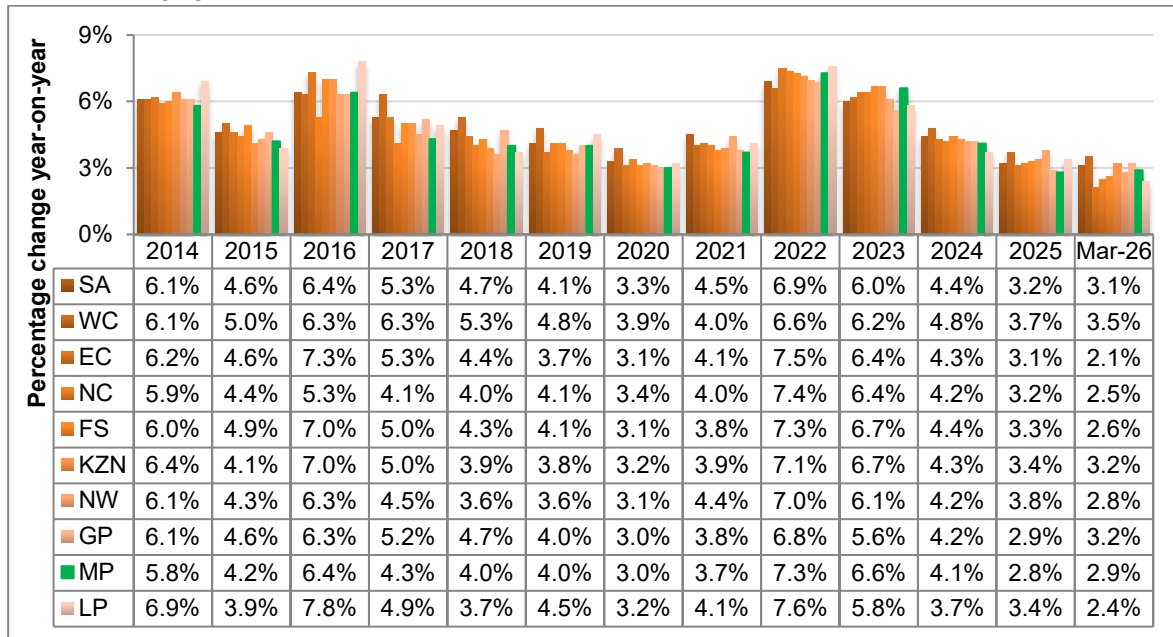
PROVINCIAL INFLATION COMPARISON

The comparative year-on-year percentage change in the CPI for South Africa, as reported by Statistics South Africa, is displayed in Figure 1. South Africa's average annual CPI for 2025 was 3.2%. In 2025, Mpumalanga (2.8%) recorded the lowest average annual CPI among the nine provinces.

¹ The revised target is 3% plus or minus 1 percentage point.

In March 2026, all nine provinces recorded inflation rates within the target range of the SARB. Eastern Cape recorded the lowest inflation rate of 2.1% and Mpumalanga (2.9%), the sixth lowest/fourth highest. Western Cape recorded the highest inflation rate at 3.5%. Between February 2026 and March 2026, the inflation rate declined in four provinces and increased in five provinces, of which Mpumalanga was one.

Figure 1: Comparative annual inflation averages for South Africa and provinces, 2014-2026



Source: Stats SA - CPI, 2014-2026

3. MPUMALANGA’S INFLATION SCENARIO

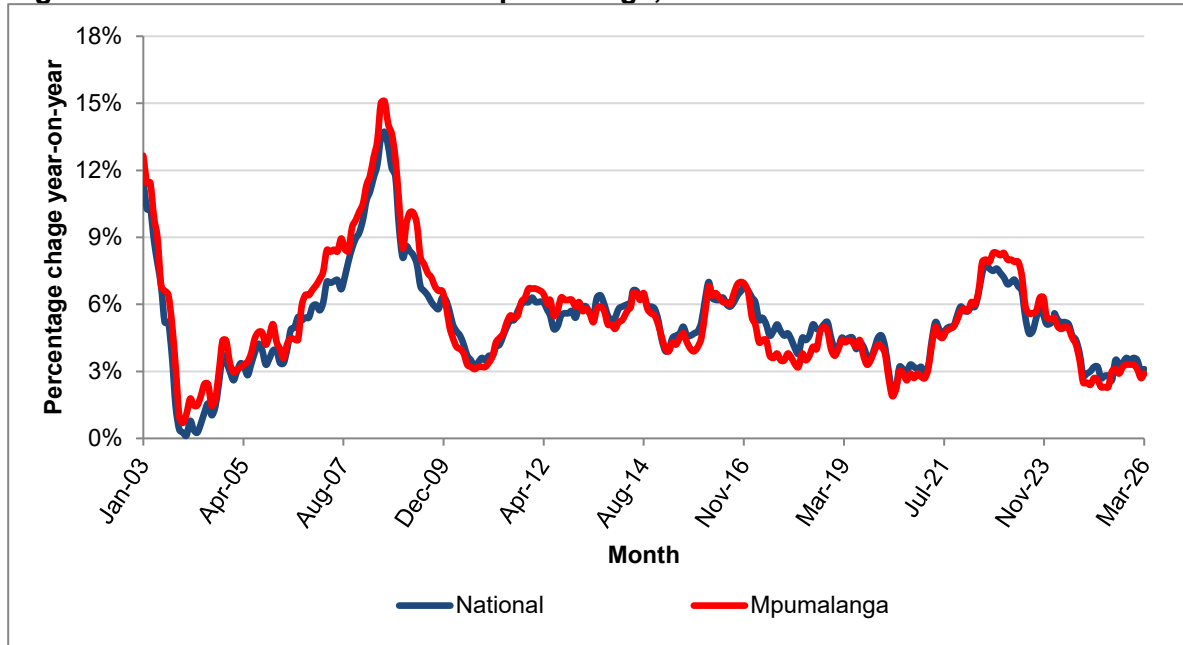
Mpumalanga’s average annual inflation rate for 2025 was 2.8%, which was the lowest among the provinces and lower than the average for South Africa (3.2%). Mpumalanga’s average annual inflation rate for 2025 was 1.3 percentage points lower than the 4.1% average for 2024.

In March 2026, Mpumalanga recorded an inflation rate of 2.9%, which was higher than the 2.7% rate recorded in February 2026. The provincial inflation rate was lower than the national inflation rate for the twenty-sixth consecutive month. In March 2026, Mpumalanga’s inflation rate was within the revised target for the nineteenth consecutive month. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2003 to March 2026 is displayed in Figure 2.

Stats SA introduced a new basket and weights for the CPI with effect from the January 2025 release. The main determinants of inflation in Mpumalanga based on their respective weightings, as provided in Table 1, are price changes in housing and utilities, FNAB,

transport as well as insurance and financial services. These four indices, in terms of the weighting, contribute 68.7% to the level of inflation and inflation movements in Mpumalanga.

Figure 2: CPI in South Africa and Mpumalanga, 2003–2026



Source: Stats SA – CPI, 2003-2026

It appears from Table 1 that the housing and utilities index accounted for 42.5%, the FNAB index for 30.1% and the insurance and financial index for 10.2%. The transport index, however, declined and put the brakes on the overall increase in the inflation rate during March 2026. Together, the three positive main contributors among the four main determinants contributed 82.8% of the average price increase in Mpumalanga during March 2026.

Table 1: Mpumalanga’s CPI group indices, weights, percentage change & contribution to inflation, March 2026

Index description	Weight	Percentage change		Estimated contribution to inflation
		Month-on-month	Year-on-year	
Food & non-alcoholic beverages	21.67%	0.3%	3.9%	30.1%
Alcoholic beverages and tobacco	4.03%	1.9%	4.7%	6.7%
Clothing and footwear	5.24%	0.1%	1.4%	2.6%
Housing and utilities	22.15%	0.6%	5.4%	42.5%
Furnishings, equipment & maintenance	3.21%	0.1%	-0.4%	-0.5%
Health	1.79%	-0.3%	3.8%	2.4%
Transport	18.02%	0.4%	-0.7%	-4.5%
Information & communication	5.88%	0.1%	-0.8%	-1.7%
Recreation, sport & culture	2.44%	0.6%	3.0%	2.6%
Education services	1.49%	3.5%	3.5%	1.9%
Restaurants & accommodation services	3.77%	0.0%	3.9%	5.2%
Insurance & financial services	6.82%	0.0%	4.2%	10.2%
Personal care & miscellaneous services	3.49%	0.2%	1.9%	2.4%
All items	100.0%	+0.5%	+2.9%	100.0%

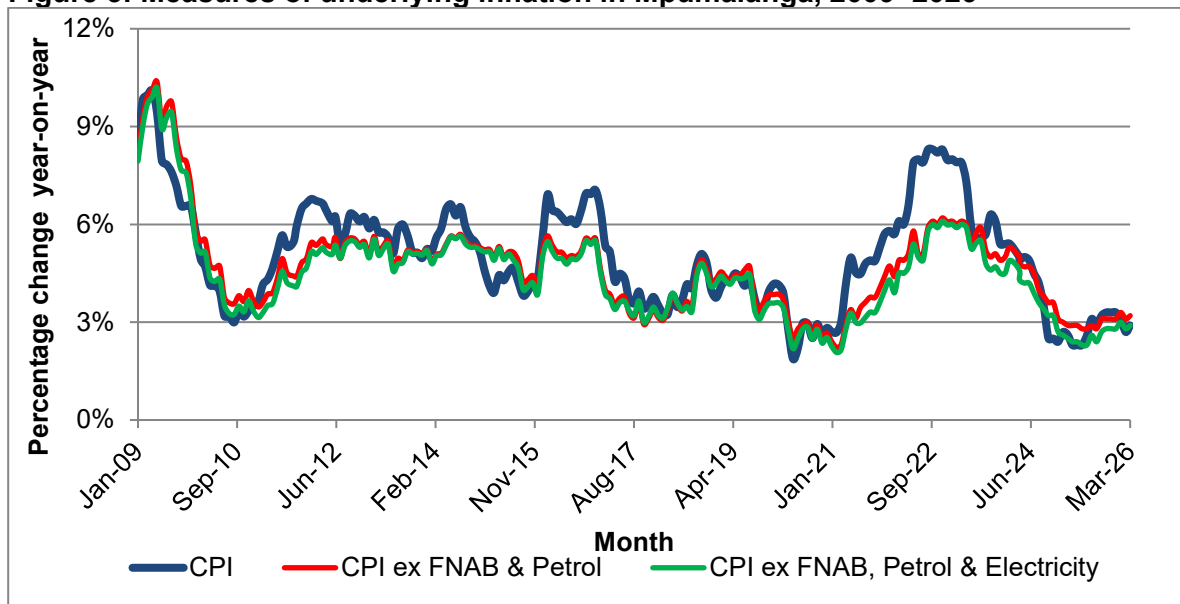
Source: Stats SA – CPI Additional Tables, 2025

The price increase of owners’ equivalent rent as well as electricity provided most of the upward push in the housing and utilities index. Within the FNAB, the price increases of meat

products provided the bulk of the upward swell. Within the insurance and financial index, the price increase of insurance provided the largest push in the increase.

When the impact of the more volatile FNAB and fuel prices were excluded from the consumer price index as in Figure 3, the underlying annual inflation rate would have been 3.2% in March 2026. If the electricity price were also excluded from the calculation of headline CPI inflation, Mpumalanga’s resultant core inflation would have been 2.8% in March 2026. Mpumalanga’s headline inflation rate as well as the underlying inflation increased in March 2026 and the core inflation rate remained unchanged.

Figure 3: Measures of underlying inflation in Mpumalanga, 2009–2026



Source: Stats SA – CPI, 2009-2026

CONCLUSION

Mpumalanga’s inflation rate of 2.9% was the sixth lowest/fourth highest inflation rate among the provinces in March 2026. In March 2026, Mpumalanga’s inflation rate increased to 2.9% from 2.7% in February 2026 and was within the SARB’s target for the nineteenth consecutive month.

In March 2026, the South African Reserve Bank (SARB) revised its Quarterly Projection Model (QPM). The headline inflation forecast for 2026 was revised to 3.7%, up from 3.3% in January 2026. The inflation forecast for 2027 was marginally revised upwards to 3.3% and the 2028 forecast was kept stable at 3.0%.

Inflation remained within the South African Reserve Bank’s target range in March, despite the uncertainty caused by the conflict in the Middle East. However, the inflation outlook has become more uncertain. Fuel prices increased in April and are expected to rise further in the near term, mainly because of conflict-related pressures, which will increase costs for

transport-related goods and services and raise the risk of second-round effects. Food inflation is expected to continue to moderate due to lower global food prices and strong domestic production, but this outlook depends on developments in fertiliser and animal feed prices, which are also influenced by the conflict. At the same time, administered prices, especially electricity and water tariffs, are expected to continue increasing and place upward pressure on inflation expectations. Overall, ongoing geopolitical uncertainty is likely to push inflation expectations higher over the near to medium term.