

## **Media statement**

### **Trends In the Cost of Living in South Africa Report**

On Friday, 16 May 2025, the [National Planning Commission](#) (NPC) and the [United Nations Children's Fund \(UNICEF\) South Africa](#) jointly launched the '[Trends in the Cost of Living in South Africa](#)' report in Pretoria.

As an independent advisory body appointed by the President, the NPC is the custodian of the National Development Plan: Vision 2030 (NDP). The objectives of the NDP are to eliminate poverty through reducing inequality and unemployment. It recognises the need to reduce the cost of living, including through affordable essential goods and services, and access to quality education and healthcare.

The report, which was jointly commissioned by the NPC and UNICEF South Africa, analyses cost of living trends between 2011 and 2023 to understand the complex interplay between service provision, wage growth, and household well-being. It looks specifically at the effect of these changes on poor and working poor households in a context of growing indebtedness. Challenges, including the Covid-19 lockdown, supply chain disruptions, fuel price increases, and rising interest rates, coupled with limited economic growth in the country and government's fiscal constraints, have intensified concerns about the cost of living. The research is informed by three groups of research questions, focusing on the provision of basic services, incomes, and the cost of living.

The findings reveal a varied and uneven picture of progress amid enduring challenges:

- Poverty rates in 2023 are, unfortunately, broadly similar to those in 2011 across various groupings. This conceals the initial reduction in the early 2010s and subsequent increase in the second half of the decade, with marginal improvements in the post-Covid-19 period.
- Employment is crucial for escaping poverty. The wages of the employed are often enough to ensure that households are not poor.
- The value of secondary education in the labour market diminished over this period.
- Regional economic disparities persist. Gauteng attracts job seekers but shows higher rates of unemployed poor, while KwaZulu-Natal grapples with a larger proportion of working poor, suggesting lower wages or more limited opportunities.
- Real wages declined over the period, contracting by an average of 0.3 per cent per annum.
- The Gini coefficient remains elevated at 0.63 as of 2023. The largest relative decline was amongst the employed, who experienced a decrease in income inequality of 7.1 per cent, compared to a 4.5 per cent decline nationally.
- The composition of household income has remained largely unchanged over the period. Wages and salaries account for nine-tenths of household income, confirming the importance of labour market income for escaping poverty. Poor households continue to rely heavily on grants, whereas wealthier households depend on earnings from labour. This reliance on labour income means that poor households, unable to accumulate pension savings, increasingly depend on grants during retirement.
- Social assistance has expanded, with the number of grants paid by the state increasing by 26.2 per cent between 2010/11 - 2022/23. While grant values are regularly adjusted to account for inflation over time, it has largely decreased in real value.

- Education and healthcare accessibility face mounting challenges due to rising costs and resource constraints. The education gap has widened, and public health facilities are increasingly overburdened.
- Food affordability has deteriorated, with poorer households more susceptible to food insecurity.
- Housing trends reflect ongoing socioeconomic divisions, with a shift towards urban living and formal dwellings. While access to basic services expanded, quality declined, particularly impacting poor communities. Urban sprawl and inadequate public transport exacerbate living expenses for low-income groups.
- The cost of living, driven by an average inflation rate of 5.2%, saw price increases for essentials like education, food, and transport. This far exceeded the national average, thereby straining household budgets.
- Although the provision of free basic services reduces pressure on poor households' budgets, there has been a scaling back of services over the 2011-2023 period.

In her opening remarks, Ms. Christine Muhigana, the UNICEF South Africa Representative, highlighted President Ramaphosa's 2025 State of the Nation Address about the Medium-Term Development Plan 2024/29 as well as the significance of South Africa hosting the G20 Summit later this year. Expressing the hope that this research will enhance efforts to achieve the Sustainable Development Goals, she highlighted the findings for UNICEF's main constituency, namely children. "Rising food prices have forced many families to sacrifice meals, leading to malnutrition and long-term health consequences for children as well as reduced access to education and [increased levels of] violence against children," noted Ms. Muhigana.

In introducing the findings of the research, Professor Julian May, of the NPC, reminded the audience that the actual cost of living, beyond the numbers and graphs, is "the cost of being human" and that this was not fixed and is likely to vary depending on personal circumstances. He noted that the report should be used to ensure that when debating changes that will affect the lives of the majority, who are poor, it is done from an informed point of view that understands the cost of being human.

On the joint panel, Mr Mervyn Abrahams of the Pietermaritzburg Economic Justice and Dignity Group and Mr Tony Ehrenreich, from COSATU, representing NEDLAC, discussed the importance of ensuring that the research was used to improve the lives of the poor by ensuring that the state made the appropriate policy decisions and that the country begins to look at alternative approaches to addressing the basic challenges being faced. Although the report offers a comprehensive review, coordinated action from all stakeholders is essential to ensure its recommendations are effectively implemented. Targeted interventions will be required to address both the underlying causes and the far-reaching consequences of the rising cost of living and the decline in living standards described in the report.

Prof Phakama Ntshongwana, the Chair of the Enhancing the Quality-of-Life workstream of the NPC and of the proceedings, concluded the session by stressing the importance of the findings for informing the definition of a social protection floor for the country. She highlighted the importance of the findings of the impact of poverty on mental health and on the overall effects of disenfranchisement of those affected by it.

**For media enquiries, please contact:**

- Dr Zarina Rahman at +27823452919 or [Zarina@dpme.gov.za](mailto:Zarina@dpme.gov.za) or Ms Sandisiwe Mapine at +27713701048 or [Sandisiwe.Mapine@dpme.gov.za](mailto:Sandisiwe.Mapine@dpme.gov.za) at the National Planning Commission.
- Mr. Sudeshan Reddy, Communication Specialist, UNICEF South Africa - [sureddy@unicef.org](mailto:sureddy@unicef.org) or 082 561 3970